

The NATIONAL UNDERWRITER

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*He
tried to kidnap
a movie queen!*



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THURSDAY, AUGUST 21, 1952

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John Ruskin



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OWNED BY UNION MEMBERS
TO SERVE THE WORKING PEOPLE

Agent of Future Will Be Life Man Too, Says Huebner

Likens Him to General
Medical Practitioner; But
Still Room for Specialists

There is an irresistible trend toward the all-round, multiple line insurance man who will advise his clients on all forms of insurance—life, A. & H., property, and liability, said Dr. S. S. Huebner at the closing session of the annual Chartered Life Underwriters Institute at the University of Connecticut at Storrs.

Dr. Huebner, who recently retired as professor of insurance at University of Pennsylvania, is president of American College of Life Underwriters and chairman of American Institute for Property & Liability Underwriters. His outspoken advocacy of a complete, across-the-board multiple line approach for insurance representatives contacting the public came as a surprise to some of his listeners.

Fosters Professional Concept

But this multiple-line approach, he indicated, not only does no violence to the professional concept in insurance but actually fosters it. He compared the professional insurance man of the future with the doctor, the lawyer, the accountant, each of whom advises his clients on the full range of problems that are in his own bailiwick.

"The agent who handles my insurance is both a C.L.U. and a C.P.C.U.," said Dr. Huebner.

The speaker likened the multiple-line insurance man to the general practitioner in medicine, and said that there would be no compulsion on all insurance men to become general practitioners and that there would doubtless always be specialists in one or another line of insurance, particularly in the larger cities. But even these specialists, he declared, should have a working knowledge of the other forms of insurance.

"Attending committee meetings I've been struck with the fact that men may be past masters in their own types of insurance but know nothing whatever about other lines," he said. "For example, I've been in meetings with life men who, if they'd known anything about marine insurance, would have solved the problem before them right away, for the marine business had solved it 100 years before."

Answering questions after his lecture, Dr. Huebner said that the Wharton school at University of Pennsylvania had long ago stopped letting students devote themselves to either life or general insurance courses exclusively. He told of one student who tried to buck this rule because his father, who had a flourishing general insurance agency in the mid-west based mainly on one big corporate client, argued that a life insurance course would be of no possible use. When the school refused to abrogate its rule the young man took no insurance courses at all.

But a short time later he was back, not only willing but anxious to take the life insurance courses. It seemed that another agent, with plenty of life insurance savvy, had signed up the big client for an extensive line of business insur-

20% Is Discount Filing on Pa. Form

It is understood that the discount from the aggregate of tariff rates on the dwelling policy filing in Pennsylvania of Multiple Peril Insurance Rating Assn. is 20%. There are two policies, one being a combination of fire, EC, AEC, plus household theft, plus comprehensive personal liability and other being the same ex-AEC. The premium here is indivisible and the contract is indivisible.

The discount is in recognition of the saving to be accomplished by handling these lines as a unit and for other reasons. There are many aspects to the issuance of this policy that are attracting a lot of attention. It is likely that the business will be reported as a special line and the experience will be segregated. One question is how the assessments to the bureaus will be handled.

The program has been filed also in Delaware and is on the tapis for California. Filing is not required in the latter state.

Expect Graves to Retire in Ark; Gentry Mentioned

LITTLE ROCK — Retirement of Commissioner J. Herbert Graves at the conclusion of his four-year term next January was forecast here with the decisive defeat of Governor McMath by Chancellor Francis E. Cherry, Jonesboro, in the state's Democratic run-off primary. The Democratic nomination is tantamount to election in Arkansas.

In his campaign Judge Cherry promised dismissal of department heads close to the McMath administration. In answer to a specific question, he stated that Commissioner Graves would not be reappointed if he were elected. Mr. Graves, now serving his second term as commissioner, also held the position 1941-1945. On leaving office at that time he became Arkansas general agent of Kansas City Life.

Speculation as to his successor chiefly centered around U. A. Gentry, former commissioner, now engaged in private law practice at Little Rock, who held the office from 1933 to 1937. Leffel Gentry, also a Little Rock attorney and son of the former commissioner, was Judge Cherry's campaign manager. Whether the former commissioner might be willing to give up his private practice to return to office is regarded as problematical.

Mr. Graves is now chairman of zone 5 of National Assn. of Insurance Commissioners.

Walenga Niles President

Richard Walenga of the L. H. Krueger agency has been elected president of Niles (Mich.) Assn. of Insurance Agents. He succeeds Leland Funk, Jr. Vice-president is E. H. Rifenberg, and secretary, Gordon Ferguson.

Chamber Committee to Meet

WASHINGTON—A meeting of the U. S. Chamber of Commerce insurance committee has been called for New York City Sept. 11, during the Hemispheric Insurance Conference.

ance and was in a fair way to corral the fire and casualty lines as well. So the student's father quickly changed his attitude about the uselessness of life insurance knowledge.

Dr. Huebner said some life insurance men vigorously oppose the multiple line concept for agents but he pointed out that the current trend toward A. & H. among life companies is a step in the multiple-line direction.

KANSAS AND OKLAHOMA

Wind Deductible Filings Are Made in Middlewest

The ice has finally been broken in the middlewest on the score of windstorm deductible. The bureaus in Oklahoma and Kansas have made deductible filings. The proposal is for a deductible of \$50 per building but the deductible would not apply to contents. In Oklahoma the filing calls for the present scale of rates to be made applicable to coverage with the \$50 deductible and for full coverage there would be a 25% increase in rate.

July Fire Losses Show 18.1% Increase

Fire losses in the United States in July amounted to \$61,675,000, according to National Board. This was an increase of 18.1% over losses in July, 1951.

Losses for the first seven months of 1952 now total \$466,328,000, an increase of 6.1% over the first seven months of 1951.

Losses for the first seven months of 1952 and the two preceding years are:

	1952	1951	1950
Jan. ...	74,155,000	68,686,000	58,823,000
Feb. ...	69,925,000	69,136,000	58,340,000
March ...	72,254,000	71,507,000	72,468,000
April ...	67,380,000	62,965,000	61,605,000
May ...	62,354,000	58,744,000	58,765,000
June ...	58,585,000	56,403,000	57,116,000
July ...	61,675,000	52,220,000	49,592,000

466,328,000 439,661,000 417,709,000

Companies Won't Fight Loss of Auto Plate Tax Exemption

SAN FRANCISCO—Apparently insurance companies operating in California will not oppose a proposed constitutional amendment which will take away the exemption from payment of property and license plate taxes for company-owned automobiles.

Under the existing law insurance companies and banks are entitled to such an exemption under the "in lieu" clause in the constitutional tax provisions. Automobiles owned and operated by the companies were issued license plates with the prefix "PS" before the numerals.

However, for several years the companies generally have ignored this exemption at the suggestion of one of their legislative representatives and have paid the fees, the same as any individual or other firm. There are still a few companies using the privilege but it is understood that they will not offer any opposition to the proposal.

Tuke Heads Sun Mutual

John H. Tuke, secretary of Sun Mutual Fire, Cincinnati, for many years, has been elected president, succeeding the late Arthur H. Ewald. Robert A. Kemper, assistant secretary, succeeds Mr. Tuke as secretary. John T. Bailey, Jr., becomes assistant secretary, and Albert Schmidt, chief underwriter. Mr. Tuke has been with the company for 44 years. Clarence E. Greiwe was elected a director.

Pendleton Agents Elect

Thomas M. Bolton has been elected president of the Pendleton (Ore.) Association of Insurance Agents. Margaret J. Pigg is vice-president and Kenneth R. Doherty, secretary.

Snow Indicates B.I. Form Consolidations

Tells W. Va. Agents
Single Form May
Materialize

WHITE SULPHUR SPRINGS—Addressing West Virginia Assn. of Insurance Agents at its annual convention, Chester A. Snow, vice-president of Phoenix of Hartford, forecast possible adoption of a new gross earnings business interruption form, with deletion of ordinary payroll optional, and applicable to all types of business. Such a form would make possible complete abandonment of the two-item contribution form. Aim is to create a single form with sufficient flexibility for use in all classes. Most desirable objective, selling gross earnings form to manufacturers, is difficult now because factory owners do not care much for the idea of insuring ordinary payroll.



C. A. Snow

Mr. Snow said it is the duty of every insurance agent to present business interruption to all clients who are in business for profit. This coverage accounts for 15% of all fire premiums in Great Britain while only 3% of stock companies' fire premiums here represents time element cover. Doing better, Mr. Snow reported, was Factory Insurance Assn., where business interruption sales for a recent year were 19.6% of total business.

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Knowledge Still Needed

The No. 1 answer to a questionnaire on business interruption circulated by Eastern Underwriters Assn. was that lack of knowledge is responsible for small volume of this business written. Thus, the idea that business interruption insurance is a mystery still persists. Fundamentals, Mr. Snow said, can be acquired readily, and a knowledge of the fundamentals will enable the agent to present the right sort of sales talk.

Average coinsurance deficiency in 1951 was 27% on business interruption losses. This is a slight improvement over earlier years when coinsurance deficiencies were closer to 30%. The agent does not give the same degree of attention to proper business interruption values as he does to property values. Loss adjustments have demonstrated eminent fairness of present forms but closer attention must be given to estimating earnings values.

Merchants, in general, are in good shape. Inventories, especially of clothing, are now down to where retailers want them. Impact of the steel strike will be felt, directly, where merchants and manufacturers depend on steel and steel products; less forcefully in reconstruction delays because of shortages.

Zone 1 Rally at Portland

The zone 1 insurance commissioners are holding a meeting at the Eastland hotel, Portland, Me., Sept. 16-17.

Inland Marine Premiums for 1951 Reach \$275 Million, Losses Are \$130 Million

The experience figures for inland marine lines for 1951 have been released by Inland Marine Insurance Bureau. These include the writings not only of I.M.I.B. members but of members of Transportation Insurance Rating Bureau and of independent insurers.

The premium figures represent direct premiums written less return premiums. Loss figures represent direct losses paid less salvage. Loss ratios, except where otherwise indicated, represent the ratio of direct losses paid to direct premiums written.

Total inland marine premiums written by all types of insurers amounted to \$275,346,857; paid losses totalled \$130,804,826, the loss ratio being 47.51.

I. M. I. B. companies had premiums of \$254,043,821, losses of \$122,143,245, with a loss ratio of 48.08. Independent companies wrote \$11,042,597 in premiums, had losses of \$4,853,691, for a ratio of 43.95. Premiums of transportation companies were \$10,260,439, losses \$3,807,890, loss ratio 37.11.

A breakdown of personal property floater 1951 experience shows that under the full coverage form, written premiums, excluding scheduled property, amounted to \$8,821,968, earned premiums were \$11,504,738, and losses paid were \$7,675,342. The ratio of losses incurred to premiums earned was 68.19.

Under the deductible form, written premiums were \$34,343,758, earned premiums were \$30,025,195, and losses paid were \$19,549,346. The ratio of incurred losses to premiums earned was 66.55.

The overall loss incurred to premiums earned ratio was 66.32 for the combined PPF results for the five years 1947-1951. Combined written premiums in 1947 were \$32,418,589, earned premiums were \$21,937,659, paid losses were \$16,328,625. In 1948, written premiums were \$31,011,863, earned premiums were \$28,899,955, and paid losses were \$19,949,562. In 1949, written premiums were \$39,730,447, earned premiums were \$31,804,384, paid losses were \$21,216,298. In 1950, written premiums were \$47,169,581, earned premiums were \$36,755,446, and paid losses were \$21,412,490. The 1951 total for written premiums was \$43,165,726, for earned premiums was \$41,529,933, and losses paid were \$27,224,688.

Personal jewelry written premiums in 1951 amounted to \$32,876,060 and earned premiums totalled \$31,968,083. Paid losses were \$16,365,022, and incurred losses were \$16,241,275, the loss incurred to premiums earned ratio being 50.80. Written premiums on personal furs were \$13,516,684, and earned premiums were \$13,192,980. Paid losses were \$6,378,371 and incurred losses were \$6,637,250. The losses incurred to premiums earned ratio was 50.31.

To Hold N. Y. Parley on Individual A. & H. Aug. 28

NEW YORK—An industry committee will confer Aug. 28 in New York with Deputy Superintendent J. F. Murphy on individual A. & H. business. Purpose of the conference is to discuss formalizing procedures adopted by the department from time to time for regulating rates, policies, etc., and to talk about minimum loss ratios in this field.

A new law, sec. 225 of the insurance law, becomes effective Sept. 1. This is a penalty section. Dealing with the filing of A. & H., life and annuity rates and forms. Group A. & H. has already been discussed.

The G. A. Coffey agency of Salem, Ore., has been purchased by Merrill D. Ohling, Donald Wells is operating the Coffey agency at the present time. M. J. Cosovich and Ragnar Johnson have established a new local agency known as Town & Country Agency at Astoria, Ore.

Inland Marine Premiums, Losses Shown for 1951

CLASS	Premiums Written	Losses Paid	Ratio Losses Paid to Written Premiums	CLASS	Premiums Written	Losses Paid	Ratio Losses Paid to Written Premiums
Personal Proper Floater				Loose Diamonds—Average Inventories Over 250,000	113,876	36,261	31.84
Blanket Portion—Full Coverage				Wholesalers, Manufacturers, Exporters & Jobbers—Average Inventories Over 250,000	475,437	207,887	43.73
5,000 and under	1,854,472	2,026,887	109.30	Retailers—Average Inventories Over 250,000	197,989	7,760	3.92
5,001 to 10,000	2,677,301	2,229,111	83.26	Pawnbrokers—Average Inventories Over 250,000	6,881	78	1.13
10,001 to 20,000	2,114,475	1,573,314	74.41	Horse and Wagon	319,737	169,522	53.02
20,001 and over	2,175,720	1,846,030	84.85	Radium	63,077	9,479	15.03
Total Full Coverage	8,821,968	7,675,342	87.00	Theatrical Floaters	144,968	44,382	30.62
Blanket Portion—Deductible				Bridges and Tunnels	2,159,352	244,059	11.41
15. and 25. 5,000 and under	8,307,304	5,495,728	66.16	Use & Occupancy	434,865	8,286	1.91
15. and 25. 5,001 to 10,000	11,567,660	6,389,252	55.23	Rolling Stock Railroad	227,232	36,819	16.20
15. and 25. 10,001 to 20,000	4,506,343	1,854,405	41.15	Passenger & Freight Locomotives—Not Used With Streamliners	1,215,720	305,542	25.13
15. and 25. 20,001 and over	5,247,963	3,155,550	60.13	Passenger Locomotives—Used With Streamliners	243,626	142,665	58.56
50. 5,000 and under	242,251	99,305	40.99	Passenger Equipment—Excluding Power Units	299,502	157,037	52.43
50. 5,001 to 10,000	308,299	93,697	30.39	Short Haul Locomotives	395,851	70,284	17.76
50. 10,001 to 20,000	224,467	40,310	17.96	Tank Cars	85,076	80,362	94.46
50. 20,001 and over	180,879	30,040	16.61	Miscellaneous	224,429	141,971	63.26
Total Deductible Coverage	34,343,758	19,549,346	56.92	Details Not Furnished	6,323	17,180	271.71
Misc. Scheduled Property other than Jewelry, Furs and Fine Arts	150,884	84,469	55.98	Motor Truck Cargo	30,440,219	10,021,441	32.92
Personal Jewelry				Transportation (Open & Annual Forms)	14,004,090	8,204,451	58.59
Full Coverage—Not Classified	1,404,976	409,270	29.13	Transportation (All Others)	4,310,033	1,925,986	44.69
5,000 and under	19,145,504	9,195,590	47.29	Registered Mail	1,541,390	73,120	4.74
5,001 to 10,000	4,506,343	1,854,405	41.15	First Class Mail	94,985	33,862	35.65
10,001 to 20,000	5,161,029	3,951,597	76.56	Bailees Customers	8,673,883	3,596,055	41.46
20,001 and over	908,018	748,821	82.47	Processing Risks	4,168,019	2,805,573	67.31
Total Full Coverage	32,347,022	16,199,607	50.08	Films & Negatives	5,661,555	2,517,900	44.47
\$50 Deductible Coverage	529,038	165,415	31.27	Deferred Payment Merchandise	227,718	56,897	24.99
Personal Furs				Wool Growers Floater	61,971	20,761	33.50
Minimum Premium Policies	2,164,794	481,719	22.25	Neon Signs			
10,000 and under	10,230,196	5,365,186	52.44	Full Form—Unclassified as to Territory	13,304	5,985	44.99
10,001 to 20,000	688,669	355,188	51.58	Florida & Puerto Rico	32,120	56,752	176.69
20,001 and over	16,723	36,421	217.79	Texas	129,886	62,601	48.19
Details Not Furnished	408,348	137,384	33.64	Alabama, Georgia, Louisiana, Mississippi, North Carolina, South Carolina & Virginia	52,537	18,520	35.25
Pine Arts—Private Collections				Balance of Continental United States & Hawaii	696,639	405,746	58.24
Fire Protected Areas	1,893,432	539,345	28.49	Total Full Coverage	924,486	549,604	59.46
Unprotected Areas	129,673	38,278	29.52	Deductible Form—Unclassified as to Territory	57,166	27,661	48.39
Pine Arts—Dealers, Museum, Etc.	975,203	324,642	33.29	Florida & Puerto Rico	47,362	49,585	104.69
Cameras and Sound Equipment				Texas	73,883	28,624	38.74
Private Risks	1,918,957	756,387	39.42	Alabama, Georgia, Louisiana, Mississippi, North Carolina, South Carolina & Virginia	47,888	66,453	138.77
Commercial other than Motion Picture Producers	403,255	164,945	40.90	Balance of Continental United States & Hawaii	473,494	277,378	58.58
Motion Picture Producers	79,924	25,372	31.75	Total Deductible Coverage	699,793	449,701	64.26
Musical Instruments				Cotton Buyers Transit Form	1,351,866	598,077	44.24
Individual—Non-Professional	481,337	123,429	25.64	Contractors Equipment Floater	16,824,230	8,961,601	53.27
Orchestras, Bands & Other Groups	398,150	177,075	44.47	Pattern Floater	915,474	216,232	23.62
Stamp and Coin Collections	495,676	138,291	27.90	Cold Storage Locker Policies (Operators)	856,715	148,063	17.28
Tourist Baggage	183,175	54,148	29.56	Accounts Receivable Policies	455,474	1,289	.28
Wedding Presents	527,426	133,436	25.30	Mobile Agricultural Machinery and Equipment Floater			
Personal Effects	148,308	13,556	9.14	Territory 1	1,177,196	421,648	35.82
Furriers Customers	2,206,420	1,193,500	54.09	Territory 2	609,874	223,731	36.68
Custody Rider	3,438,201	660,346	19.21	Territory 3	594,582	138,126	23.23
Legal Liab. Endst. Retail	490,959	62,900	12.81	Territory 4	714,155	206,870	28.97
Legal Liab. Endst. Wholesale	35,833	3,719	10.38	Details Not Furnished	427,329	140,487	32.88
All Other Including Certification	1,142,478	350,304	30.66				
Parcel Post							
Coupon Form	1,214,351	612,655	50.45				
Open Form	6,822,849	3,993,217	58.53				
Garment Contractors							
Women's Wear—Cloaks, Suits & Dresses	2,205,171	925,311	41.96				
Men's & Boys' Wear	686,665	436,640	63.59				
Other Wearing Apparel	1,138,715	444,978	39.08				
Jewelers Block							
Loose Diamonds—Average Inventories Under 250,000	243,620	102,803	42.20				
Wholesalers, Manufacturers, Exporters & Jobbers—Average Inventories Under 250,000	1,023,705	419,325	40.96				
Retailers—Average Inventories Under 250,000	3,100,058	1,027,048	33.13				
Pawnbrokers—Average Inventories Under 250,000	45,542	12,266	26.93				

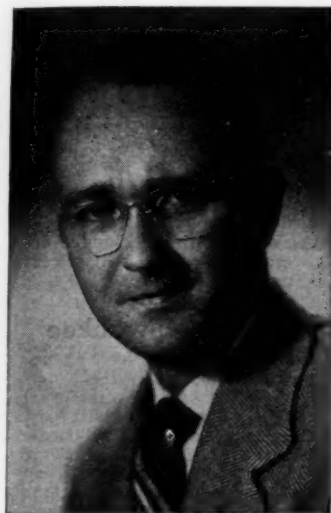
COMBINED RESULTS BY CLASSES 1947-1951 INCLUSIVE

CLASS	Written Premiums	Paid Losses	Ratio Losses Paid to Written Premiums	CLASS	Written Premiums	Paid Losses	Ratio Losses Paid to Written Premiums
PERSONAL PROPERTY FLOATERS				ACCOUNTS RECEIVABLE POLICIES	\$ 2,153,545	\$ 5,594	.26
Blanket Portion Full Coverage	\$ 8,821,968	\$ 7,675,342	87.00	AGRICULTURAL IMPLEMENTS FLOATERS	2,613,556	2,266,869	86.73
Blanket Portion Deductible	2,677,301	2,229,111	83.26	RECYCLES FLOATERS	139,548	6,586	4.72
5,000 and under	2,114,475	1,573,314	74.41	SEATS (Including Couches & Recliners) AND OUTBOARD MOTORS	2,581,061	1,035,793	40.15
5,001 to 10,000	2,175,720	1,846,030	84.85	SEATS AND MACHINERY (Inboard) PRIVATE	2,806,861	1,317,530	47.12
10,001 to 20,000	8,821,968	7,675,342	87.00	SEATS AND MACHINERY (Inboard) COMMERCIAL	82,569	30,434	36.97
20,001 and over				INDEPENDENT SEAT FLOATERS	939,227	470,463	50.09
Total Full Coverage				WOLFERS EQUIPMENT FLOATERS	125,909	158,556	125.92
Blanket Portion—Deductible				OWN FLOATERS	30,132	138,075	45.83
15. and 25. 5,000 and under	8,307,304	5,495,728	66.16	INSTALLATION FLOATERS	6,980,486	2,703,850	38.73
15. and 25. 5,001 to 10,000	11,567,660	6,389,252	55.23	LIVE ANIMALS AND PLANTS (Including Live Livestock)	655,708	175,640	26.80
15. and 25. 10,001 to 20,000	4,506,343	1,854,405	41.15	LIVE ANIMALS AND PLANTS (Including Live Livestock)	73,032	16,439	22.50
15. and 25. 20,001 and over	5,247,963	3,155,550	60.13	AMERICAN LIABILITY	95,537	6,480	6.78
50. 5,000 and under	242,251	99,305	40.99	PARAPHERNELIA FLOATERS	321,056	117,773	36.70
50. 5,001 to 10,000	308,299	93,697	30.39	PARAPHERNELIA FLOATERS	1,760,777	1,848,544	104.99
50. 10,001 to 20,000	224,467	40,310	17.96	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
50. 20,001 and over	180,879	30,040	16.61	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Total Deductible Coverage	34,343,758	19,549,346	56.92	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Misc. Scheduled Property other than Jewelry, Furs and Fine Arts	150,884	84,469	55.98	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Personal Jewelry				RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Full Coverage—Not Classified	1,404,976	409,270	29.13	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
5,000 and under	19,145,504	9,195,590	47.29	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
5,001 to 10,000	4,506,343	1,854,405	41.15	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
10,001 to 20,000	5,161,029	3,951,597	76.56	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
20,001 and over	908,018	748,821	82.47	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Total Full Coverage	32,347,022	16,199,607	50.08	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
\$50 Deductible Coverage	529,038	165,415	31.27	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Personal Furs				RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Minimum Premium Policies	2,164,794	481,719	22.25	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
10,000 and under	10,230,196	5,365,186	52.44	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
10,001 to 20,000	688,669	355,188	51.58	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
20,001 and over	16,723	36,421	217.79	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Details Not Furnished	408,348	137,384	33.64	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Pine Arts—Private Collections				RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Fire Protected Areas	1,893,432	539,345	28.49	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Unprotected Areas	129,673	38,278	29.52	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Pine Arts—Dealers, Museum, Etc.	975,203	324,642	33.29	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Cameras and Sound Equipment				RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Private Risks	1,918,957	756,387	39.42	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Commercial other than Motion Picture Producers	403,255	164,945	40.90	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Motion Picture Producers	79,924	25,372	31.75	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Musical Instruments				RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Individual—Non-Professional	481,337	123,429	25.64	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Orchestras, Bands & Other Groups	398,150	177,075	44.47	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Stamp and Coin Collections	495,676	138,291	27.90	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Tourist Baggage	183,175	54,148	29.56	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Wedding Presents	527,426	133,436	25.30	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Personal Effects	30,646,465	3,969,134	12.95	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
PERSONAL EFFECTS				RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Motion Picture Producers	1,918,957	756,387	39.42	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Legal Liab. Indent. Detail	1,918,957	756,387	39.42	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Legal Liab. Indent. Warehouse	1,918,957	756,387	39.42	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
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Legal Liab. Indent. Warehouse	1,918,957	756,387	39.42	RECYCLES EQUIPMENT FLOATERS	409,555	166,553	40.67
Legal Liab. Indent. Warehouse	1,918,957	756,38					

Matt Maury Named New President of Washington Agents

Van Vechten, Kirkpatrick
Address Yakima
Meeting

YAKIMA, WASH.—Matt F. Maury, Olympia, was elected president of Washington Assn. of Insurance Agents at its annual convention here. Other new officers are: Vice-president, Stanley W. Lebens, Yakima; state national director, Harrison P. Sargent, Seattle (reelected);



MATT F. MAURY

secretary-treasurer, W. W. Fry, Tacoma; trustee at large, Stanley Randolph, Richland; regional vice-presidents, west side, Gil O. Moene, Jr., Mt. Vernon; east side, Cliff Couey, Spokane; executive secretary, Irwin Mesher, Seattle (reelected).

New trustees are O. N. Jones, Wenatchee; John B. Ferguson, Spokane; William Greer, Seattle; Joe I. Bjerke, Yakima; William R. Lee, Chehalis; Dick Herber, Mount Vernon.

Van Vechten Gives Keynote Address

James F. Van Vechten, Akron, O., president of National Assn. of Insurance Agents, in his keynote address described both the American way of life and the American agency system as two "pears of rare value."

"Guard them well," Mr. Van Vechten told the convention, "for they both are under constant attack."

A. L. Kirkpatrick, Washington, D. C., manager insurance department of the U. S. Chamber of Commerce, in his talk on "Can Private Insurance Exist in a Welfare State?" warned of the current drift toward socialism through the federal government's use of insurance techniques.

Nearly 500 agents and company men attended the sessions.

Wichita Agencies Merged

The Wm. G. Matchette & Co. and Byron S. Chapell & Co. agencies of Wichita have been consolidated under the Matchette & Co. name. Mr. Chapell, a former president of Wichita Assn. of Insurance Agents and last year's chairman of the Wichita insurance buyers and executives clinic, opened his agency in 1929. W. G.

Matchette and Bland Warren also entered the business the same year. Mr. Matchette started with Aetna Casualty at Kansas City, as did Mr. Warren. The latter traveled Missouri and Kansas for 19 years and went to Wichita as Kansas manager of Fireman's Fund Indemnity.

New Publication for Buyers

The first issue of National Insurance Buyer, official publication of National Insurance Buyers Assn., has just been published. It will be issued quarterly.

Sanders Managing Editor Northwest Agency Bulletin

Evan K. Sanders has become managing editor of Northwest Agency Bulletin of Seattle, of which Irwin Mesher is publisher. He has been associate editor of Underwriters Report of San Francisco.

The Seattle publication is being expanded from a monthly to a semi-monthly, with its new "Flash Edition" to appear the first of every month. The larger edition will appear the 15th of the

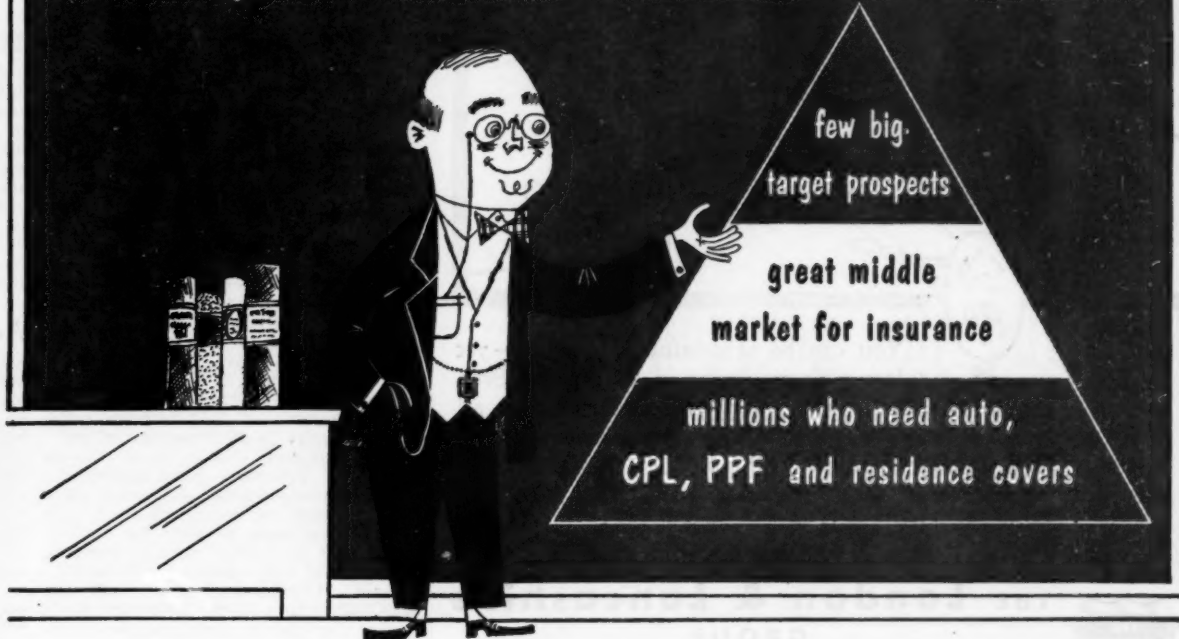
month.

Mr. Sanders attended University of Minnesota and did newspaper work at St. Paul, Boston, Washington, D. C., and Portland, Ore.

Joint Mich. Mutual Outing

Michigan Assn. of Mutual Insurance Agents and Michigan 1752 Club are planning a summer outing at Gull Lake Country Club near Kalamazoo, Aug. 28. John Keyser, Kalamazoo agent, will be host at a hospitality hour at his summer home.

Sell the Profitable Prospects in the great MIDDLE MARKET for insurance



At the top of the market for insurance in your territory are the comparatively few big, target prospects. They're probably well insured and usually hard to sell. At the bottom is the great mass market, profitable in large numbers but here volume takes years to build. For the good local agent, the quickest source of profits lies in the great Middle Market.

These are the small and medium-size merchants, contractors, manufacturers and service and professional organizations. Here are the profitable prospects who need good service and often aren't getting it. Here are the ones who pay premiums from several hundreds a year to six or eight thousands. Here is the area in which your agency can build for solid, profitable progress.

HOW TO SELL THEM LIABILITY INSURANCE

To help Security-Connecticut agencies get an "in" with these prospects, we are making available a new, complete selling program on OLT, Schedule Liability and the Comprehensive General Liability Policy. Most of these prospects need it but don't know they need it. For most of them complete liability coverage is their greatest need

because damage suits threaten greater dollar losses than any others they could suffer.

This new selling plan includes information about how to build a prospect list, how to plan the campaign, and some ideas on what to say in selling. There's a pre-call letter that will interest the prospects, and a new, attractive, two-color folder to go with it. Security-Connecticut agencies are using this plan right now to get new and profitable clients.

Perhaps you would like to see our new Agency Sales Bulletin telling about the plan and including the letter to prospects, and a sample of the new folder. We shall be glad to mail you samples of these without cost or obligation. Fill out and send the coupon below, today, and get this valuable material to help you sell the great Middle Market for insurance.

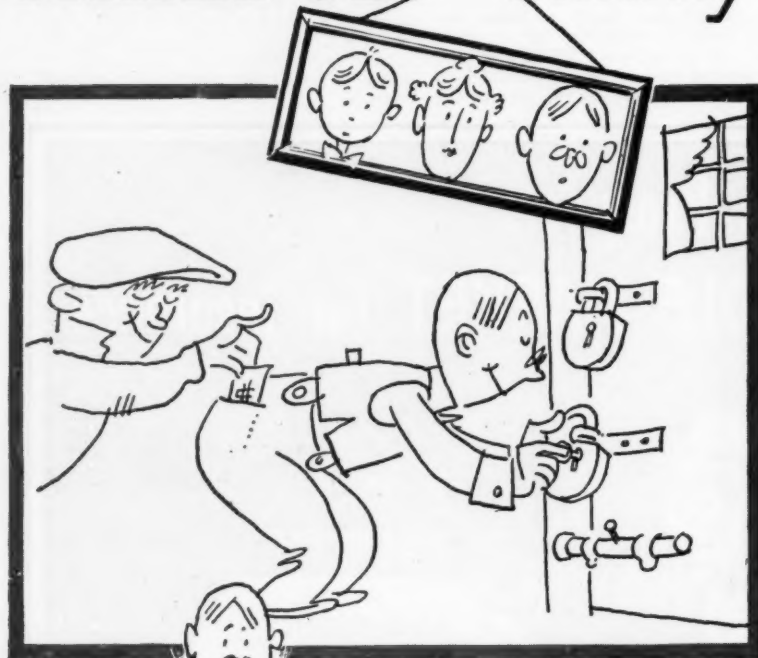
THE SECURITY CONNECTICUT
INSURANCE COMPANY OF NEW HAVEN
INDEMNITY COMPANY
HOME OFFICES: NEW HAVEN, CONNECTICUT
Pacific Departments • 248 Battery Street • San Francisco 6, California



SECURITY-CONNECTICUT COMPANIES, Dept. 26D, New Haven, Connecticut
Please mail me, free and without obligation, a copy of your Agency Sales Bulletin and new folder on Comprehensive General Liability that is helping agents sell the great Middle Market for insurance.

Name.....
Agency.....
Street.....
City or Town..... State.....

the sad story of the **CAREFUL** family



You can be as careful as can be — yet lose a pretty penny in a burglary. Even 10 locks won't stop a clever thief. The protection all families should have is an L. & L. Residence and Outside Theft Policy.



THE London & Lancashire GROUP

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD. • ORIENT INSURANCE COMPANY • LAW UNION & ROCK INSURANCE COMPANY, LTD. • SAFEGUARD INSURANCE COMPANY OF NEW YORK • STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Department) • LONDON & LANCASHIRE INDEMNITY COMPANY OF AMERICA

**HIGHER PRICE LEVELS
REQUIRE MORE FIRE INSURANCE COVERAGE**
Are Your Assureds Adequately Protected?

CONSULT US ON

APPRAISALS

Impartial Valuations

of

Industrial and Commercial

Property

Since 1910

Branches
in all
Principal
Cities

THE **LOYD-THOMAS** co.

4411 RAVENSWOOD AVE., CHICAGO 40, ILL.

Fireman's Fund Half Year Record Is Analyzed

Fireman's Fund reports net premium writings of \$75,914,000 for the first six months of this year as compared with \$68,483,000 for the same period in 1951.

Net investment income amounted to \$3,227,000 as compared with \$2,940,000 in 1951. Underwriting profit was \$170,000 as compared with \$77,000 for the first six-month period last year. The premium reserve increase was \$7,014,000 in the first half of this year as compared with \$8,249,000. Adjusting for a 35% equity in the increase in premium reserves, the adjusted underwriting gain was \$2,618,000 in the first half of 1952 as compared with \$2,957,000 in the same period last year.

Earnings per share, including shareholders' equity in premium reserve, after estimated federal income taxes, were \$2.31 as compared with \$2.45 for the first half of 1951. Estimated federal income tax incurred per share during the first six months of 1952 amounted to 51 cents as compared with 39 in 1951.

Underwriting profit was \$730,000 as compared with \$2,184,000 in the preceding twelve months.

Share Earnings \$4.62

Earnings per share of common stock, including shareholders' equity in unearned premium reserve, after federal income taxes were \$4.62 for the twelve months ended June 30, 1952, as compared with \$4.42 for the twelve months ended June 30, 1951.

President James F. Crafts said that the modest underwriting profit for the first six months of 1952 includes satisfactory results in all important phases of the business except those classes written by Fireman's Fund Indemnity.

"Most state insurance authorities have approved rate increases, but they have not been adequate to meet the rapidly rising cost of bodily injury, property damage and the compensation claims," he said. "During the last 10 years, the paid claim costs of all insurance companies for bodily injuries have increased 70% and property damage claim costs have climbed 150%, whereas the combined rate increase for the two classes was only 35% during the same 10-year period."

A summarized consolidation balance sheet as of June 30 reported assets of \$281,083,345, premium reserve \$111,867,533, and reserve for losses and loss expense of \$69,449,809. Shareholders' equity, including 35% of the premium reserve, amounted to \$61.98 per share, as against \$55.01 as of June 30, 1951.

S. F. Brokerage Firms Merge

Hal D. Willson, who has conducted the brokerage firm of Willson & Filmer at San Francisco for many years, is merging his business with that of Laurent A. Loustau and hereafter the firm will operate as Willson, Laoustou & Co.

Mr. Willson is a past president of Insurance Brokers Exchange, past chairman of its governing committee and a founder of the exchange's expanded public relations and educational programs. Mr. Laoustou also has been active in the exchange and is wielder of San Francisco Blue Goose.

Big Fire, Water Loss at L. A.

Innes Shoe Co., occupying a portion of the ground floor of Prudential's western home office building at Los Angeles, suffered a fire and water damage loss that may approximate \$250,000 to insurance. The loss occurred when a fire in the store's stock room ruptured the water system and flooded the entire establishment. Preliminary reports show 25,000 pairs of shoes involved in the loss. Stock, furniture and fixtures and U. & O. are on blanket reporting

form under the Escott plan, covering all the firm's stores in California. G.A.B. is handling the loss. Prudential loss is reported to be less than 1% on the building, covered by an overall \$8 million. Prudential also has rental coverage.

New Coextensive Balto-Md. Pact Is in the Making

Assn. of Insurance Underwriters of Baltimore City has issued a release stating that an understanding is likely to be reached very shortly between that association and Maryland Assn. of Insurance Agents on the terms of a new co-extensive agreement. Some time ago the old co-extensive agreement was canceled. This was done to pave the way to open negotiations looking to a new agreement embodying among other things changes in the financial setup of the two associations. The erroneous idea had arisen in some quarters that the Baltimore group had withdrawn from the Maryland association.

Big California E. C. Loss

Amsco Products Co., Compton, Cal., suffered a loss to insurance that may reach \$175,000 to contents and \$5,000 to building when a heavy laden truck hit a fire hydrant in the street, immediately in front of the plant, and sheared it off. Two tons of water per minute showered down on the roof of the plant, which collapsed under the weight. Amsco is protected under extended coverage. General Adjustment Bureau is handling the loss.

Aetna Move at Milwaukee

The Aetna Life companies have opened new and enlarged quarters in the Enterprise building at Milwaukee, after being in the First Wisconsin National Bank building for many years. Housed in the new offices are Aetna Life, Kasche & Kasche, general agents, and W. A. Van Dyck, manager group department; Aetna Casualty, A. L. Wortmann, manager; Automobile and Standard Fire, L. A. Seiler, fire state agent, and S. R. Dué, marine state agent.

Day at the Races Aug 25

Insurance Club of Pittsburgh is holding its annual day at Wheeling Downs, W. Va., Aug. 25. One of the events that day is to be designated as Insurance Day handicap race. The bus caravan is leaving the Sheraton Hotel at Pittsburgh at 10:45 a.m. The arrangements are in charge of Paul Cost of Industrial Appraisal Co. of Pittsburgh, as a member of the activities committee of the Insurance Club.

Wilmington Office Moves

The Wilmington, Del., branch office of General Adjustment Bureau has moved to new quarters at 919 Washington Street.

CASUALTY ACCOUNTANT

This position is to understudy the secretary of a large insurance company and to take over the accounting and statistical departments when he retires in 1955. This man must have accounting-statistical experience and executive ability. Salary \$10,000.

FERGASON PERSONNEL

330 S. Wells Street, Chicago 6, Illinois
Harrison 7-9040

Travelers Mule-Horse 'Ad' Recalls N.B.&M. Cow Row

The Travelers advertisement in the Aug. 7 NATIONAL UNDERWRITER has excited the insurance wags about as much as did the famed North British & Mercantile advertisement of several years back featuring Mrs. O'Leary's cow in a way that gave offense to students and friends of the cow. This advertisement of Travelers features a picture of a thief leading an animal out of a barn door and the caption is "It Does No Good to Lock the Barn Door After the Horse Is Stolen. Employers Need Fidelity Bonds."

THE NATIONAL UNDERWRITER and the Travelers have been receiving many communications of a facetious nature on this account because there are some purists who are being very technical about this advertisement. They contend that it is a mule rather than a horse that is in the process of being stolen.

Millard Bartels, vice-president and general counsel of Travelers, has received the following letter from J. Edward Day, director of insurance of Illinois. Mr. Day released a copy to THE NATIONAL UNDERWRITER.

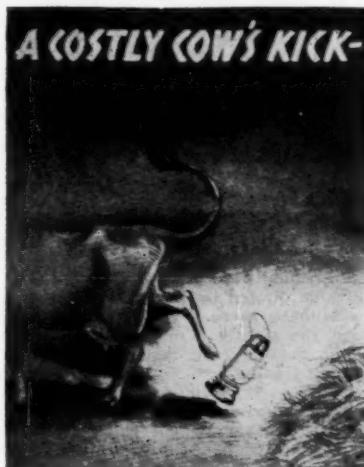
Dear Mr. Bartels:

"I have... been in consultation with Mr. Ernest Palmer about an item of advertising by your company which we consider to contain a most serious misstatement.

"The advertisement in question occupies page 25 of the casualty edition of THE NATIONAL UNDERWRITER of Aug. 7. It portrays an individual leading an animal out of a barn and underneath the

not backward as shown in the ad. In the Oct. 28 issue, there was a story headed: "Backward Kick of the O'Leary Cow Vigorously Upheld." Nov. 4, "Much-Kicked Agent Gives Testimony on Cow's Habits," Nov. 11, "Horses Join Cows in Kicking Controversy."

Nov. 18, "The Real Evidence on Cow Kicking," as given to W. J. Traynor of N. B. & M. by "Elsie," the famous



Borden cow. Also Nov. 19, "Elsie Backs Traynor on Cow's Kick." Nov. 25, "Kicking Cow Controversy Flares Up in Daily Newspaper Columnist's Grist."

Dec. 9, "There Is No End to the Cow Kicking Debate." Dec. 23, "Cow's Kick Squabble Leads to One on Kick the Bucket."

Jan. 13, 1944, "Louis Bromfield on Cow Kicking." Other publications, as well as persons in and out of the insurance business, also took part in this discussion while it raged.

Program Given for N. M. Agents Annual Convention

New Mexico Assn. of Insurance Agents is holding its convention at the Alvarado Hotel, Albuquerque, Sept. 5-6.

The speakers scheduled to speak Sept. 5 include Ralph Apodaca, superintendent of insurance; Kenneth Hough, vice-president of Anchor Casualty at Los Angeles; E. J. Seymour, of Monroe, La., member of the executive committee of the national association; Lee Hoagland, vice-president of Sayre & Toso, San Francisco, and D. D. Monroe, agent of Clayton, N. M. The meeting will close next morning with a business session.

Don A. Yocum Resigns as Detroit Head of Planet

Don A. Yocum, has resigned as manager of the fire and marine departments of the Detroit branch of Planet. He has not announced his future plans. He is a C.P.C.U.

Week Is Proclaimed

President Truman has now officially proclaimed Oct. 5-11 as fire prevention week.

The Michigan C.P.C.U. will hold a luncheon and meeting Aug. 25. Fred Leach, chairman of the all-industry luncheon Oct. 1, will discuss the plans for this occasion at which time the five Michigan persons who have received their designation this year will be honored.

Ryland R. Weisiger, Bluefield, W. Va., local agent, lost parts of two toes in a power mower while cutting the grass at his home.

We're



popping our buttons!



And why not! In 17 years more than 6,500 producers have been shown how they can produce more business with less detail (and less expense) for their offices.

Have you benefited by the experience of the oldest Agency Systems Department in the country and the first insurance company to offer personal contact advisory service?

Agency Systems Department
Royal-Liverpool Insurance Group, 150 William St., N.Y. 38, N.Y.

Please send me further particulars regarding Agency Systems service.

Agent's Name _____

Address _____

Represent Royal-Liverpool Insurance Group: Yes ☐ No ☐

ROYAL LIVERPOOL Insurance Group

CASUALTY • FIRE • MARINE • SURETY
150 WILLIAM ST., NEW YORK 38, N. Y.

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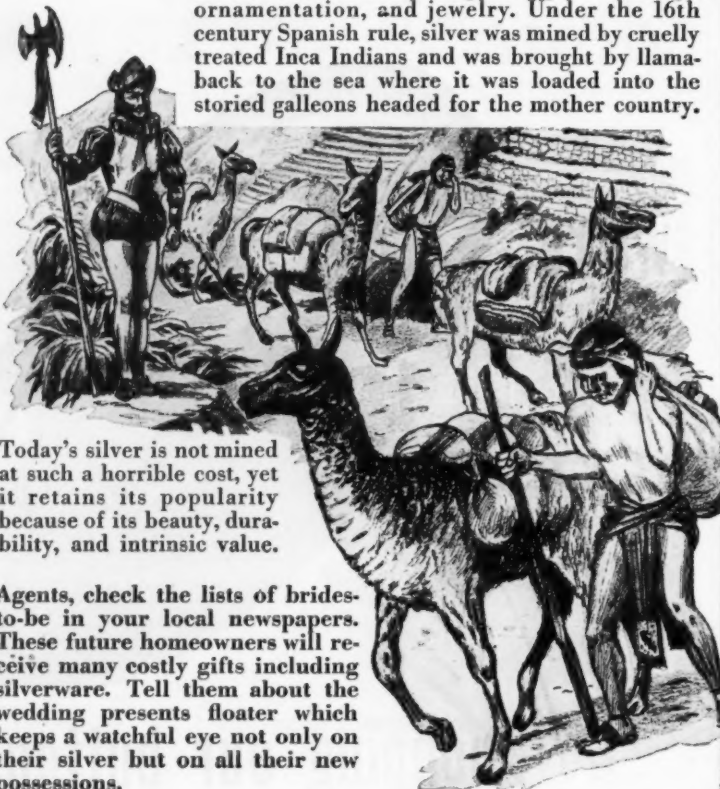
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Agents, check the lists of brides-to-be in your local newspapers. These future homeowners will receive many costly gifts including silverware. Tell them about the wedding presents floater which keeps a watchful eye not only on their silver but on all their new possessions.

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Underinsurance Shown in Study of Dwelling Losses

A study by one company of losses under small dwelling policies shows low insurance to value, as has been consistently demonstrated in other surveys made by fire insurers from time to time.

In the present showing are included 200 dwelling and 165 household contents fire losses of \$50 or more. These originated in several states, New York to Texas, and they occurred over a period of several months. The company making the study regards them, therefore, as typical of the general run of this type of business.

Number Below 50%

It is interesting to note that the compilation, 18 of the properties, or 9%, were insured for less than 50% of the actual cash value, as respects dwellings; and 32, or 19% were insured for less than 50% of A.C.V., as respects household contents.

Though it is generally agreed that the value quoted by an adjuster is often an estimate, there is considerable similarity in the results. On all the dwellings in the present test, insurance to the estimated value is 73%, while on household contents it is 70%. This indicates that this company is doing somewhat better than average, which is said to be between 60 and 70%. But the record would be still better if the company did not

have 9% of the dwellings and 19% of the household contents insured for less than 50% of estimated value.

This company's conclusion, which is similar to that of other companies that have made like studies, is that the problem is one requiring more publicity and attention by agents.

DWELLINGS

Value Range	No. of losses	Total A.C.V.	Total Ins.	% of Ins. to Value
0-\$ 999 ...	6	4,335	2,600	60
\$ 1,000-2,499 ...	23	39,211	26,150	66
2,500-4,999 ...	35	121,646	82,450	67
5,000-9,999 ...	56	377,160	254,200	68
10,000 & over ...	80	1,280,744	965,800	75
Totals	200	1,822,820	1,331,200	73
Aver. amt.		9,114	6,656	

HOUSEHOLD CONTENTS

Value Range	No. of losses	Total A.C.V.	Total Ins.	% of Ins. to Value
0-\$ 999 ...	5	2,333	1,450	62
\$ 1,000-2,499 ...	41	66,846	49,400	74
2,500-4,999 ...	78	260,824	164,950	63
5,000-9,999 ...	32	191,000	127,900	67
10,000 & over ...	9	100,000	90,800	91
Totals	165	621,003	434,500	70
Aver. amt.		3,764	2,633	

Discuss Selling Liability Rate Increase at Wichita

Wichita Assn. of Insurance Agents had a large turnout at a "closed meeting" in Kansas, as a result of the increase in liability rates. Howard Fullington of Dulaney, Johnston & Priest, president of the Kansas association, explained in some detail the trends in liability rates in line with loss experience and called attention to the Kansas assigned risk plan. It was agreed that the agents must "sell" assured on the necessity for increased rates.

Marc Benjamin of the public relations committee of the board stressed the importance of presenting the problem of automobile losses and recommended that members arrange for programs before civic groups. He told of a recent program before the Wichita Kiwanis Club presented by the committee when the film, "A Day in Court," produced by International Harvester Co., was pre-

sented, and urged others to use it. B. J. Weldon at Dulaney, Johnston & Priest, and Harold Budke of Brown, Ginzel & Co., were honored for being second and third in Kansas to gain the C.P.C.U. designation.

Meeker & Meeker Expands

The local agency of Meeker & Meeker at Franklin, O., has purchased the Betzler agency of that place. William F. Betzler has been compelled to withdraw from the insurance business because of ill health. The principals in the Meeker & Meeker agency are Fred Meeker, Jim Wells and Bus Farmer. The Betzler agency traces its origin to 1889 while Meeker & Meeker has been in operation since 1884.

Field Men vs. Agents—at Golf

New Hampshire Field Club members will participate in a golf tournament with agents Sept. 7 prior to the Vermont Assn. of Insurance Agents convention at Fairlee.

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Mich. Agents Criticise Rate Change Handling

LANSING—The past week's automobile physical damage rate changes in Michigan include elimination of the so-called package automobile plan, which had been unique to Michigan and had been competitively valued by some agents. This was a combination of collision, comprehensive, towing and \$100 personal effects coverage.

In a bulletin to members of Michigan Assn. of Insurance Agents, Waldo O. Hildebrand, secretary-manager, complains:

"Why such a complicated rate manual? Why not issue a more comprehensive statement to the press? Why advertise direct writers? Why? Why? These questions are swamping us.

"We can't answer the first question, except to complain and proffer a suggestion that if the producers were in a position to prepare the rate schedule for every minute use in quoting and explaining, it would be greatly simplified.

No Advance Information

"As to the last two questions—National Automobile Underwriters Assn. gave us no advance information. Likewise, they gave the press nothing. We were compelled to prevail upon our very cooperative department of insurance. (They could have declined, according to statute, until Aug. 11, but our conference was as late as Aug. 7.) The National Bureau of Casualty Underwriters, through prior arrangement, supplied us a copy of its advance release to the press. This was a 3½-page mimeographed release—very good, but in our opinion, too lengthy as evidenced by its lack of use by the press in Michigan. We, therefore, consulted with the department of insurance and prepared our release, including both organization rate changes. Surely we could do a better job and will continue our efforts."

The rate increase on fire, theft, collision and comprehensive averaged 9.9% and it was claimed in the agents' announcement to the public that "we remain lower in rates than those in surrounding states." It was noted that, during the past five years, there had been two downward revisions, one of approximately 15% in 1949 and of 10% in 1950.

Provision on Renewals

The agents were informed that N.A.U.A. accepted a provision, "as suggested to Commissioner Navarre that agents who have renewed their business in advance of Aug. 11 (date of the rate change) need not cancel and re-write such renewals until on and after Oct. 1, 1952."

It was estimated the increased premiums on the adjusted bureau rates for BI and PDL would amount to \$1,860,000 annually on a total premium volume of \$16,771,882 for 190 companies.

Mutuals Ask Bigger Share

A committee representing eight mutual agencies at Winston-Salem, N. C., has asked the city to make "a more equitable distribution" of its fire insurance among the approximately 40 companies and agencies there.

George Morgan, spokesman for the group, asked that the mutuals be given 20% of the city's business, as they represent 20% of the agencies in the city. They now receive 5 to 6% of the business.

Haffner Speaks at Tacoma

Pierce County Insurance Assn. will hear a talk on the Washington automobile assigned risk plan by E. R. Haffner, manager, at a dinner meeting Aug. 22 at Tacoma, Wash.

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With Fingers Crossed, Hail Insurers Anticipate Good 1952 Results

At this well advanced stage in the season for hail insurance on growing crops it appears that the overall premium volume will be from 10% to 15% ahead of last year. The wheat harvest is now under way in North Dakota and Canada so that it can virtually be said that the story is known on the wheat results. Overall the experience was satisfactory.

In Nebraska the losses were severe but it is believed that the companies on the whole are still in the black there. Kansas was a particularly bright spot. That state has been a money loser for many years in the hail business but this year it came through with flying colors and the underwriters have a kindlier feeling for Kansas than they have had. The southeast was badly hit and the hail writing companies are in the red there and will end up the season that way. The extreme temperatures that prevailed throughout the southwest in June and July were broken up frequently by hail storms and the damage to cotton and tobacco was extensive.

The main liability now outstanding is on corn. Right now in many sections corn is in the critical roasting ear stage and hail storms could be extremely costly.

The drouth conditions that have been so extensively publicized didn't have much of an effect on the hail business. About the only spot where the drouth had a retarding effect was in Montana and the Dakotas. That area suffered a drouth early in June just in the planting time for flax and other grains and this kept many of the farmers from insuring and the hail people estimate that their premium potential was cut about one third as a result. However, the rains came and the crops overcame their early difficulties but too late to produce hail premiums.

Offer Mat Service in Iowa

DES MOINES — Iowa Assn. of Insurance Agents inaugurated a newspaper mat service for its members or local boards as a part of a 10-point

program aimed to help educate the public as to the agency system.

The association, through Paul Mast, secretary-manager, will provide free mat service consisting of both two-column and one-column one-inch size "ads," with the local agency or board to pay for the advertising.

The association also has under consideration a program of outdoor advertising including the use of highway billboards. The cost would be borne by groups of agents in the various cities or by local boards.

Other points in the program call for participation in district sales and educational meetings; individual participation in radio, television, school and service programs; all-out participation in the association's legislative program, and use of the association's emblem in offices and on stationery.

Continue Coast Study of First Loss Earthquake Cover

LOS ANGELES—General Manager A. W. Gilbert of Pacific Fire Rating Bureau has stated that the July 21 earthquake would not terminate studies by the rating bureau of first loss earthquake looking toward an enlargement of the domestic market, or at least to provide an "umbrella" of protection to American companies desiring to write the coverage. Due to the fact that these studies must now encompass knowledge gained from the Tehachapi July 21 shock, no definite date for publishing a first loss quake rating method by the bureau is in the offing, but it will become a fact as soon as possible.

The study is being directed by a subcommittee of the bureau's governing committee consisting of P. P. Lynch, Great American, chairman; A. V. Holman, America Fore; Edward W. Church, Crum & Forster; R. B. Masters, New Zealand, and Frank L. Donahoe, Fireman's Fund.

Forum for N. Y. Accountants

Assn. of Agency Accountants of New York City will hold an open forum on premium financing at a meeting Sept. 9.

Participants will be John F. Laughran, Corroon & Reynolds, and John P. McDowell, Great American, who will give the company's point of view, and Thomas F. Glavey, vice-president of Chase National Bank, along with G. L. Kirkpatrick, First Bancredit Corp., who will put forth the banking industry's view.

File False Arrest Suit

Mr. and Mrs. Edward Van Zee have filed suit at Des Moines against Minneapolis Fire & Marine, William Leeper, adjuster for Western Adjustment; Edward Stebbins, a state fire marshal assistant, and Deputy Sheriff Robert Robinson, asking \$30,000 damages for false arrest and slander. They also ask \$4,253 from the insurance company for damage caused by fire to their home at Des Moines last May.

The petition alleges that the couple were arrested on two occasions and held in the county jail for questioning. The county grand jury failed to indict them.

Aetna Fire Half-year Data

Premiums written by the Aetna Fire group the first six months amounted to \$63,776,369. President Clinton L. Allen stated that an indicated drop in the volume of fire premiums was largely the result of bookkeeping in the handling of installment premiums under a new ruling by N.A.I.C. Increases in automobile premium volume reflect rate increases in 40 states, he said.

The Aetna group had an underwriting loss of \$381,944 the first half of 1932. Investment profit was \$3,262,033.

Baylor Greensboro Head

R. Staley Baylor is the new president of Greensboro (N.C.) Assn. of Insurance Agents. Herman R. Mos is vice-president; Harry R. Owen, secretary-treasurer.

Phoenix, Conn., Scans 6 Months

Phoenix of Hartford in its midyear report to stockholders states that written premiums for the first six months were \$35,638,914 which was an increase of 13%. President John A. North states there has been a leveling off of fire premiums but other classes show a normal increase. Automobile physical damage premiums were substantially ahead of last year due primarily to the acquisition of a few new treaty reinsurance accounts. Under present market conditions Phoenix has had an opportunity to accept a few desirable accounts from reputable sources at favorable terms, he said. There was some improvement in losses.

Expenses Still Formidable Challenge

Overall the losses incurred to premiums written produced a 39% ratio and to premiums earned 42%. Expenses, he said, continued to present a formidable challenge to management. The incurred expenses to written premiums represented a ratio of 46.7.

The new casualty and bonding department is growing slowly and the effort is to hold the volume to a figure which the staff can service efficiently. In the period of 15 months since the operation was started Phoenix has written \$910,034 in premiums. For the six months the premiums were \$536,786 and the loss ratio was 32.2 on a written basis and 56.3 on an earned basis. Automobile liability and P.D.L., Mr. North remarks, constitute a major problem to all casualty companies.

There was an underwriting profit of \$2,172,145 which Mr. North said is a satisfactory exhibit in view of the fact that the property insurance business is subject to all the whims of economic conditions both in the operating and investment fields.

Investment income is about the same as last year due to the fact that there has been little new money to invest. The portfolio changes that have been made were primarily for tax and technical reasons. At the end of the first six months there was an increase in assets of about \$4½ million.

The next six months the figures will



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reflect the translation of important economic factors to the sensitive point in the insurance business; for example the steel strike will no doubt affect earnings of businesses directly dependent on steel as a raw material. Increased costs of materials and labor will be apparent in the loss adjustment figures. But on the other hand there should be some relief from increased rates in classes where some improvement in the rate structure has been accomplished.

The net premiums earned for the first six months were \$33,054,575 for the Phoenix-Connecticut group consolidated. Losses incurred were \$13,883,538, underwriting expenses incurred \$15,700,564. The net gains from underwriting of \$2,172,145 compared to a loss of \$2,298,631, for the first six months of 1951. The assets were \$158,584,688, premium reserve \$63,077,165, market fluctuation and contingency reserve \$17 million which was the same as at Dec. 31, capital \$7½ million and net surplus \$54,070,140 which was an increase of \$1,990,863.

Set Mutual Management Conference for Sept. 22-23

The 1952 Office Management & Personnel Conference, sponsored by American Mutual Alliance, will be held Sept. 22-23 at Edgewater Beach Hotel, Chicago.

Conference theme will be "Personnel Relations and Greater Productivity." The opening session will feature addresses on modernizing office procedures, budget and planning, and supervision. There will also be workshop sessions on these subjects, and also on incentives, with the schedule so arranged that two of the sessions can be attended by the same individual.

The final session set for Sept. 23 will consist of a communications clinic, addresses on civic responsibilities, and a summary of reports on the four workshop sessions.

Following these meetings, there will be a meeting of the uniform accounting and statistical conference of Mutual Insurance Advisory Assn., which will continue through Sept. 24.

To Compete with Lloyds

Al W. Gilbert, general manager of Pacific Fire Rating Bureau, in a recent address at a meeting of Oakland Assn. of Insurance Agents, said the bureau is working on facilities in a domestic market for coverages that traditionally go to London Lloyds. He mentioned specifically first shock earthquake loss.

Highway Casualty in More States

Highway Casualty of Chicago, until recently operating only in Arkansas, Illinois, Indiana, Kentucky, Michigan and Missouri, is now also licensed in Florida, Nebraska and Tennessee.

The annual meeting of Portland (Ore.) Assn. of Insurance Agents will be held Aug. 21.

Hanover Fire Reports Gains

Hanover Fire has issued a semi-annual statement showing assets of \$49,882,210 which is an increase of about \$300,000 from Dec. 31. The premium reserve is \$23,044,217. Capital is \$4 million, voluntary reserve \$500,000 and net surplus \$12,307,587. The surplus to policyholders of \$16,807,587 compares with \$15,946,779.

Buyers Hear Levit, Torney

Bert W. Levit, insurance attorney of San Francisco, and Donald J. Torney, assistant vice-president of Marsh & McLennan, presented their viewpoints on fire legal liability at the Aug. 20 dinner meeting of the northern California chapter of National Insurance Buyers Assn. Mr. Levit outlined how liability develops and gave case histories of litigation while

Mr. Torney discussed the protection side of such liability. George C. Fouche, insurance director for Swinnerton & Walberg, construction firm, was chairman.

Rolfe Elected Secretary of National Fire Group

C. L. Rolfe, formerly assistant secretary, has been elected secretary of National Fire and its affiliated companies.

Mr. Rolfe attended Hartford College of Law and has been with National since 1923, serving as a field man in Pennsylvania, Maryland and District of Columbia. In 1945, after service in the navy, he was appointed superintendent of the loss department at the home office and in 1947 was elected assistant secretary.

Deckard Joins A.F.I.A.

Robert J. Deckard, Jr., former account man with the liability department

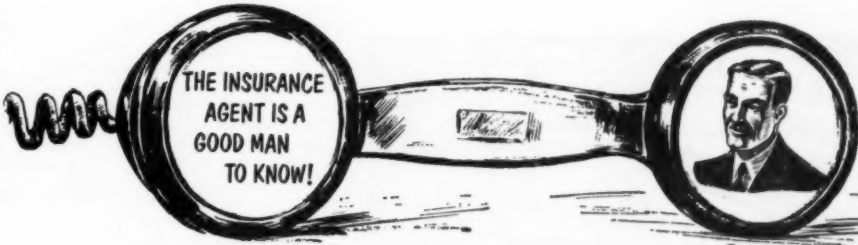
of Johnson & Higgins at Los Angeles, has joined American Foreign Insurance Assn. at San Francisco. He began in the business with American Mutual Liability at Omaha in 1940 upon graduation from Purdue. Later he was manager at Omaha, but left there last year to join Johnson & Higgins.

Wellington Fund Still Buying


Wellington Fund, the mutual investment company of Philadelphia, reports that the market value of its investment in insurance stocks on June 30 was \$4,753,650 as against \$3,931,220 Dec. 31. Wellington Fund bought 1,000 shares of Hartford Fire during the first six months. This constituted a new investment position for the fund. Largest single investment is in Continental Casualty, of which 10,000 shares are held.

Miss Vida Thomas, Erin, Tenn., was recently honored for 25 years representation of Fidelity-Phenix, with presentation of a testimonial scroll by Smith E. Holland, special agent, Nashville.

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Flowering Time for Reciprocals in Ohio

The number of reciprocals that has been put together in Ohio continues to grow. Much of this activity, of course, is explained by the conditions of the Ohio law and the application that has been made of those conditions so as to bar the licensing of automobile dealers as insurance agents, of companies other than reciprocals. In Ohio the sales representatives of reciprocals need not be licensed and hence the reciprocal route is being selected by a number of institutions that are interested in the auto finance business and related insurance operations. One of the newest Ohio reciprocals is Vehicle Insurance Exchange of Cleveland of which the attorney-in-fact is Vehicle Underwriting Co. The officers of this concern are the same as the officers of Calvert Fire which is a subsidiary of Commercial Credit Corp.

Just recently Associates Investment Co. set up a similar institution in Ohio, this being Midway Insurance Exchange of Cleveland. The officers of this are the same as the officers of Emmco which is the insurance subsidiary of Associates Investment of South Bend. There have been some out-of-state reciprocals looking into the Ohio scene,

but at least some of them have decided to stay clear because of the possibility of adverse legislation being enacted next year.

John T. Cover Goes With B. P. Carter Co. of Richmond

John T. Cover has been elected assistant secretary of the B. P. Carter Co., Richmond, Virginia-Carolina managers of London Assurance, State of Pa., Century, Manhattan F. & M. and Dubuque F. & M. He graduated at Washington & Lee and has had fire and casualty traveling experience in Virginia, North Carolina and Pennsylvania. Most recently he has been Virginia special agent for National Fire of Hartford.

Wentz Forms Local Agency

A new local agency known as Clayton Wentz, Jr., & Associates has been established at Portland, Ore. Mr. Wentz was formerly Pacific Coast manager for Manufacturers & Merchants Indemnity.

Dallas Group to Build

Acquisition of a site for a home office building for the Insurance Companies of Texas group at Dallas has been announced by Ben Jack Cage, president. Tentative plans call for con-

struction of a building costing about \$1 million, with 60,000 square feet of floor space. The three companies in the group, owned by Texas members of American Federation of Labor, now occupy parts of five buildings in Dallas.

Cooperate or U. S. Will Take Over, Medical Plans Told

WASHINGTON—Speaking at a public meeting of the President's commission on the health needs of the nation, Dr. Joel T. Boone, medical director of the veterans administration, former White House physician and retired rear admiral, said that if cooperation doesn't continue between government and civilian medical programs it could mean the end of civilian medicine.

Dr. Boone said he believes if there weren't full cooperation along this line, the government would take over, because of the necessity of providing good medical care for everyone. He said there is good cooperation now and he hopes it will continue.

Several speakers told the commission that medical insurance plans threaten the existence of medical teaching classes where students gain experience by treating charity, and some other patients. They said that because members of hospitalization plans have funds to pay their way, there has been a decline in the number of patients willing to be treated in the "teaching hospitals."

Formidable Looking Ill. Regulations Lose Stature

The Illinois department this week released the text of six regulations on agent, broker and solicitor licensing, etc., and this temporarily caused a flurry in the insurance district until it was ascertained that these did not spell any change whatsoever in procedure. They were gotten up pursuant to a law that was enacted in the last session of the legislature, requiring that any official bulletins of any department of the state government in order to have official standing must be filed with the secretary of state. These regulations are simply the substance of what has heretofore been contained in bulletins, letters, etc., of the insurance department and according to the department people there is no substantive change whatsoever involved. These new regulations had an impressive and formidable look about them and those that received them without an explanation that they represented simply a technical revision, thought at first that they were a lot of new licensing requirements being issued at this time.

Minn. Tests Show Driver Education Has Good Results

Minnesota highway department has completed a survey on driving accidents in attempt to determine whether the cost of school driver instruction is justified, with results indicating that such education produces a far lower accident incidence.

An analysis of state highway department safety records shows that only 3% of pupils who received both classroom and actual driving instructions were arrested in a two-year period (arrests involving motor vehicles and not including such offenses as parking violations). The arrests increased to 4% among people who had classroom instruction only, and jumped to 7% in the "control" group given no instruction.

Only 6% of the pupils given both types of driving instruction were in accidents involving personal injury or damage totaling more than \$50, but this figure jumped to 12% for pupils given classroom instruction only and 14% among pupils given no instruction.

While it was emphasized that the figures are subject to error because of the short period covered and because

the tests did not take into consideration the total mileage given by the pupils in any of the three categories, the sharp contrasts in driving performance by instructed and uninstructed pupils convinced the department that the projects are worthwhile.

Agent Would Insure Driver Instead of the Car

From James A. Price, local agent at Lorain, O.:

Like all insurance men, we are very much concerned with the present automobile situation. In our opinion, the insurance industry must, if they wish to survive and continue to insure automobiles, insure any one who has a license to drive an automobile. The assigned risk bureau helps but does not solve the problem. The insurance companies must do it themselves. We think it can be done by insuring the driver instead of the car. If the parents of a youthful driver had to pay \$50 or \$60 for bodily injury and property damage insurance before junior could drive an automobile, we think there would be a lot of juniors who would not drive.

The financial responsibility laws of various states could and probably would require that each driver show evidence of such responsibility before he or she obtained a driver's license. Even without improvement in such laws, it would, in our opinion, be an improvement over the present method of insuring the car and allowing anyone to drive.

If the responsibility laws were revised, the applicants would, of course, have to first take a driver's test as to their ability to drive, and then take a certificate of their proficiency and their financial responsibility to the license clerk to obtain a driver's license.

The physical damage insurance would, of course, follow the car as it does now.

We understand that a plan similar to the one outlined was advocated by the insurance commissioner of Connecticut. Do you know of anyone else?

Writes Big Laboratory Bond

Maryland Casualty has executed performance and payment bonds, each in the amount of \$1,568,000, for the construction of the National Bureau of Standards laboratories at Boulder, Colo.

The \$3,920,000 contract awarded to Olson Construction Co., Lincoln, Neb., is to be completed within 600 days.

The bonds were written through Maryland's Kansas City office. Stuart Investment Co., Lincoln, Neb., was the producer.

Bert Youngman of the Assn. of Casualty & Surety Companies public relations staff Friday will fly to France where he and Mrs. Youngman will spend a month, mostly in Paris and Biarritz.

Iowa Blue Goose will hold its first fall meeting at Des Moines, Sept. 8.



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Hail Loss at Enid Is Mounting

The hail storm which struck Enid, Okla., Aug. 5 is expected to result in close to \$2 million of insurance loss. It was a severe storm accompanied by a big wind and hail stones reached egg size or larger. The storm went over the city twice and winds reached a maximum of 82 miles an hour.

Property damage was heavy, and there was considerable interior damage because of the accompanying 2½ inch rain.

Estimates place the number of losses at 8,600 which is more than 75% of the total in the town; 7,000 dwellings, with an average of \$200 a piece for \$1,400,000, and 600 losses to mercantiles, schools and churches, averaging \$350 for \$210,000. In addition, about 1,000 automobiles were damaged, probably an average of \$175 for \$175,000. This is a total of \$1,785,000, but subsequent reports indicate it will run somewhat higher.

General Adjustment Bureau has opened a temporary office at 200 West Randolph at Enid and initially put in 30 extra adjusters comprising a storm crew. National Board has designated the event catastrophe number 8.

Lobby Registration Reports Are Released

WASHINGTON—Quarterly reports to Congress under the lobby registration act for the second calendar quarter of 1952, as summarized and published in a "posthumous" edition of the Congressional Record, contain a number of items touching insurance organizations, personalities, in connection with legislation, etc.

Assn. of Casualty & Surety Companies received \$1,661, spent same amount during the quarter. J. Dewey Dorsett of that organization received \$99. Howard Starling, Washington representative, received \$150 and expended \$8.50. Roy Murphy spent \$99.

Blue Cross Commission reported ex-

penditure of \$1,150 for wages, salaries, etc., \$235 "other expenditures" and \$1,385 paid Benjamin H. Long, Detroit, fees and expenses, in connection with its activities regarding war damage legislation.

Committee for the Nation's Health, in connection with health insurance and

related legislation, reported \$20,382 receipts, expenditures of \$14,404 for the quarter. Dr. F. E. Robin of that organization reported \$2,243 received, \$56 spent.

American Medical Assn. receipts \$110,000 expenditures \$38,281. AMA campaign against compulsory health

insurance receipts \$19,533, expenses same, including \$8,049 to Medical Mailing Service, Chicago.

National Assn. of Insurance Agents, receipts \$26.33, expenditures \$4,209; \$2,423 paid Washington representative Maurice Herndon. The last named reported receipt and expenditure of \$45.30.

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STOCKS

By H. W. Cornelius, Bacon, Whipple &
Co., 135 So. LaSalle St., Chicago
Aug. 19, 1952

	Div.	Bid	Asked
Aetna Casualty	3.00*	96½	98½
Aetna Fire	2.25*	58½	60
Aetna Life	2.50*	97	99
American Alliance	1.50*	34	35½
American Equitable	1.50	28	29½
American Auto	2.00	44½	46
American (N. J.)	1.00	27	28
American Surety	3.00	52½	54
Boston	2.60*	69	Bid
Camden Fire	1.00	22	23
Continental Casualty	2.50*	84	86
Crum & Forster Com.	2.00*	42	44
Fire Association	2.60	62½	64
Fireman's Fund	1.60	57½	59
Firemen's (N. J.)	1.80	27½	28½
General Reinsurance	1.20	35	36½
Glens Falls	2.00	59	61
Globe & Republic	.80	16½	17½
Great American Fire	1.50*	37	38½
Hartford Fire	3.00*	148	150
Hanover Fire	1.60	39	40½
Home (N. Y.)	1.80	39	40
Ins. Co. of North Am.	2.50*	82	84
Maryland Casualty	1.00	23	24
Mass. Bonding	...	20½	21½
National Casualty	1.50	28	Bid
National Fire	2.50*	70	72
National Union	1.80	42	43½
New Amsterdam Cas.	1.50	38	39½
New Hampshire	2.00	43	44½
North River	1.20	28½	30
Ohio Casualty	1.20	64	67
Phoenix, Conn.	3.00*	97	Bid
Prov. Wash.	1.50*	30½	32
St. Paul F. & M.	.80	34½	36
Security, Conn.	1.60	36½	38
Springfield F. & M.	2.00	53	55
Standard Accident	1.60	38	40
Travelers	14.00*	670	680
U. S. F. & G.	2.00	56½	58
U. S. Fire	1.40	44½	46

*Includes extras.

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NEWS OF FIELD MEN

Fagan to Meserole Post in West

Gilbert R. Fagan has joined the Meserole companies as state agent for Missouri and for Chicago and Cook county, Ill. Headquarters will be in the western field offices in the Insurance Exchange building, Chicago.

Mr. Fagan is a graduate of Rockhurst College at Kansas City and went with Kansas City Fire & Marine in 1936. For several years he was a field engineer for National Inspection Co., and since 1947

has been with Factory Insurance Assn. at Chicago as assistant supervisor and engineer.

Mr. Fagan's father is George W. Fagan of Kansas City, special agent for Great American.

Gorman Retires as Aetna Farm State Agent in Ohio

T. E. Gorman, Ohio farm state agent of Aetna Fire, has retired under the company's pension plan at his own request. He has been in ill health for some time.

Mr. Gorman began in the business

as a farm field man for National Fire at Monticello, Ind., and joined Aetna in 1924 as state agent in Kentucky. He went to Ohio in 1925 and has served there continuously since that time. He is recognized as an authority on farm insurance in Ohio.

Dubuque Names Baackes To Succeed Hoppenjan

Dubuque Fire & Marine has appointed Frank Baackes to succeed William D. Hoppenjan as special agent in Missouri, Kansas and Arkansas.

Mr. Baackes will assist State Agent Robert J. Banck, and will have headquarters at Kansas City. He is an army veteran, was formerly with the Loyalty group in Michigan and for the past three years has been state agent in Indiana for Boston.

Ross Harmon on Leave

Ross J. Harmon, state agent for Home at Springfield, Ill., has been granted an extended leave of absence. The operations of the Springfield office have been transferred to the Peoria office under the supervision of Manager D. E. Larson.

Mr. Harmon, a graduate of Purdue, joined Home in 1923 as a special agent at Indianapolis. In 1932 he was appointed joint state agent in Indiana and in 1936, was transferred to Springfield as an associate state agent. In 1947 he was appointed state agent.

Brown with Union of Canton

William D. Brown has been appointed as fire underwriter and special agent of Union of Canton in Washington and Oregon. He is resigning as assistant manager at Seattle of United General Agency. He is a past president of the Blanket Club of Seattle.

He attended University of Saskatchewan and University of Washington and served in the air corps. He joined United General Agency in 1946 as an underwriter, later serving as special agent and more recently as assistant manager.

Union of Canton's fire department has been represented in the Pacific Northwest by Balfour, Guthrie & Co.

Sharpe Joins U. S. F. & G.

Richard Sharpe, who has been an inspector with Mountain States Inspection Bureau, has joined U. S. F. & G. at Denver as an assistant to W. Howard Unger, state agent.

Moore in Grand Rapids Post

Home has appointed Alva Moore special agent at Grand Rapids, Mich. He will serve under State Agent G. L. Stone there.

St. Paul Switches Anderson

St. Paul F. & M. has advanced Byron Anderson from special agent at Baltimore to state agent in North Dakota. He succeeds W. C. Oakes who has been transferred to Kansas City.

Mr. Anderson, who will have headquarters at Fargo, has been with the company since 1948.

Evans to Traders & General

Traders & General has appointed Duff L. Evans, formerly with its Los Angeles office, as special agent at Portland, Ore., to succeed Ivar Anderson, who is now manager at Portland for Landis, Pelletier & Parrish.

Indiana State Fire Prevention Assn. is conducting a town inspection of Lawrenceburg and Greendale Sept. 9. The speaker at a luncheon meeting will be Robert F. Hamm. This is the first inspection for the coming year.

N. I. S. & A. O. Moves

National Insurance Service & Advisory Organization has moved into larger quarters at 55 Liberty street, New York.

CHICAGO

COLLEGE MEN ARE GUESTS

A party of five college insurance instructors is being given an insight into insurance operations and activities at Chicago in a program that is in charge of Western Underwriters Assn. This is a public relations activity that is being conducted for the third successive year. W. G. Dithmer of W.U.A. is in immediate charge of the schedule.

The guests are Carl O. Hanson of Ohio University; J. P. Jones of University of South Dakota; Edmund A. Smith of Notre Dame; I. J. Sollenberger, University of Oklahoma, and Carl L. Strong of Michigan State.

On Monday after a session with Mr. Dithmer the guests went individually to various western department offices and those visits continued throughout Tuesday. On Wednesday the entire group was in the hands of Hartford Accident and there was a dinner that evening at the University Club. On Thursday morning they will visit Underwriters Salvage Co. of Chicago and that afternoon Western Adjustment. Then on Friday morning Cook County Inspection Bureau will be visited and that afternoon Underwriters Laboratories.

BARTSCH MAKES MOVE

Poulsen General Insurance Agency Corp. has been organized at Chicago with headquarters at 69 West Washington street. Frank J. Bartsch is the vice-president and general manager and associated with him is J. George Dillon. Mr. Bartsch was formerly chief deputy of the Illinois insurance department. This new agency will concentrate on general insurance and has qualified as a class one agent for Firemen's and Metropolitan Ins. Co. of the Loyalty group. It will also serve as agent for Prudential.

The Poulsen interests are headed by George H. Poulsen of Toledo. Mr. Poulsen has offices in Indiana, Illinois, Wisconsin, Iowa and South Dakota as well as Ohio, and handles extensive medical, surgical and disability group covers, his market mainly being the Loyalty group.

Mr. Dillon had been in charge of those group operations in Chicago. He has been with Mr. Poulsen about 10 years, having started with him at South Bend, Indiana.

Mr. Bartsch has been in the insurance business since 1919 and was with the Illinois department nearly 25 years when he resigned last November. For a number of years he was in charge of the liquidation office of the Illinois insurance department.

C.P.C.U. REGISTRATION DATE

Registration for the study courses sponsored by the Chicago C.P.C.U. chapter and Illinois Tech has been set for Sept. 12 from 11 a.m. to 3 p.m. in the Chicago Board auditorium in the Insurance Exchange building.

First semester classes begin Sept. 22 and will run for 17 weeks. Besides study designed to be preparatory for the C.P.C.U. examinations, there will be courses in fire protection engineering, safety engineering and property appraisal.

About 50 attended the annual outing of Tri-Country Assn. of Insurance Agents at Patton, Pa. The nomination of officers that was scheduled to be held at that time was postponed until the meeting Sept. 24 at Indiana, Pa. Elmer Crowell of Patton heads the nominating committee.

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THE NATIONAL UNDERWRITER—FIRE & CASUALTY EDITION

ADVERTISING-SALES PROMOTION MANAGER AGE 30 OR LESS

We are looking for a man who has natural sales and advertising ability who has had some experience in this work. Knowledge of sales promotion and advertising more important than knowledge of insurance. We are a large, well known Mutual Fire Insurance Company located in a middle western state, in a town of about 50,000 population. Please enclose photograph with your letter of application which must give complete information. All inquiries will be held confidential. Address M-74, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED FIRE and CASUALTY EXECUTIVE

Multiple Line Fire and Casualty Company has opening for executive with complete knowledge of all functions of Fire and Casualty business. Must have successful background and must furnish detailed report of qualifications. Starting Salary — \$12,000 per year.

ADDRESS M-91
The National Underwriter
175 W. Jackson Blvd.
Chicago 4, Illinois

WANTED

Thoroughly experienced casualty girl for executive position in large agency. Salary open. Write fully, stating qualifications and experience. Address M-57, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

AVAILABLE ACCOUNTS EXECUTIVE — AGENCY MANAGER

Eight years agency experience handling commercial and personal accounts — all lines. C.P.C.U. and college graduate. Will relocate. Excellent reference. Address M-81, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED—GENERAL AGENT SOUTHERN ILLINOIS

A multiple line mutual fire company, 35 years old, desires a general agent for the southern one-half of Illinois. Address M-84, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ADJUSTERS CLAIM EXAMINERS

Several good openings in western department office in Chicago for adjusters and claim examiners. In reply give experience and salary requirements. Address Mr. Claude Hatfield, Room 1113, 120 S. LaSalle St., Chicago 3, Ill.

STATE AGENT AVAILABLE

12 years experience in field work and rating. Desire field work or fire agency management. 33 years old—married. Prefer Illinois territory. Address M-86, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ADJUSTER AVAILABLE FLORIDA

Age 34, College education, married. Over six years experience all lines. Heavy on casualty. Prefer resident or traveling adjusters position in Tampa Florida area. Now employed but available on two weeks notice. Excellent references. Address M-89, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

AVAILABLE CASUALTY CLAIM MANAGER

44 years old with 25 years' experience is seeking position as senior adjuster or supervisor or claim manager. Will travel. Best of references. Address M-88, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

AGENCY FOR SALE

In good northern Illinois county seat town, writing average \$9,000.00 annual commissions. Will consider selling one-half interest to an active casualty company field man. Address M-93, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

TELLS LOSS MEN

Why U.&O. Sales Lag Far Behind Other Coverages

In contrast to its potential market, the record shows that sales of business interruption protection are pathetically low, Frank S. Glendening of Frank S. Glendening & Co., certified public accountants, Philadelphia, told the Loss Executives Assn. at its recent conference in Manchester, Vt.

Americans realize the value of property damage indemnity. They are so allergic to legal liability that they purchase scores of classes of protection against such claims. Americans have more life insurance than any other people in the world, and they are buying more and more pensions and A. & H. coverage for their rainy days. Yet H. & A. insurance for American business lags far behind.

Improvement in Coverage

There has been a steady improvement in the business interruption cover to fit the demands of industry, "but we have by no means developed the perfect form and currently our present forms give rise to many different interpretations," he said.

Some critics think the wording of the forms in current use is too abstruse. Some advocate the so-called valued form. Yet the theory of a fixed daily indemnity is not a satisfactory solution for the underwriters.

The questions which arise at the time of the adjustment of a business interruption claim are of the type which should be answered by the wording of the contract. However, anticipation by the policy of all the features which might arise if a business should be interrupted is absolutely impossible. Therefore, the underwriters can do no better than to make certain that their intentions are clear.

Among the many reasons why business interruption adjustments cannot always be closed in strict conformity with the provisions of the policy forms are:

Many brokers, agents and insurer employees have either never read the policy terms or fail to understand that which they have read.

Policy terminology varies from accepted accounting definitions and many accountants have difficulty in changing their thinking when they compute the amount of insurance required or the amount of loss.

Advertising material published by insurers themselves is responsible for some misunderstanding. The best example of this is the cliché: "It will do what the business would have done . . . no more and no less." This definition of the business interruption coverage is as incorrect as it is brisk. Many adjustment problems originated when some incorrect version of the policy provisions was given to insured by his broker at the time the contract was written, Mr. Glendening commented.

ACCOUNTANT'S VIEW

From an accountant's viewpoint "the net profit of a business is the surplus remaining from the earnings after providing for all costs, expenses, and reserves for accrued or probable losses." The term "earnings" is broader than "profit" but is intended to include only operating income. It would not include the appreciation in value of a long term lease which may be cancelled upon the destruction of the insured property.

Accounting terminology is not precise enough to cover the idea of a loss of net profits and of expenses which continue during an interruption of a business, but since from the above definition it is shown that net profit is that which remains after providing for everything else it is rather obvious that with even the smallest interruption of business, net profit would be the first item to be affected. The methods used in determining how net profits might be affected (let alone any one phase of that problem such as price redetermination or renegotiation) cannot be reduced to exact formula since each case must be considered in the light of prevailing conditions.

The contribution clauses of both single item gross earnings forms provide that "gross earnings" include "other earnings derived from the operation of the business." Few accountants would include dividends received or interest income in this description, but it has been contended that commissions earned or sales of merchandise which never comes near the insured location must be insured because they are "derived from the operation of the business." Mr. Glendening considers such inclusions to be a misinterpretation of the intention of the form writers and an imposition upon insured.

Form Contradicts Advertising

The above faulty advertising by underwriters is contradicted by the phraseology in the form itself. There are uninsured hazards such as the electrical apparatus clause, the clause on interruption by civil authority or the one on the interference by strikers or other persons.

Then there are limitations found in the pro rata and contribution clauses. The contribution clause under the manufacturing form item I reads "This company shall be liable for no greater proportion of the loss than the amount hereby covered bears to 80% of the sum of the annual net profits and the annual amount of all charges and other expenses of any nature, whether continuing or not" (except heat, light and power and the insured's entire ordinary payroll expense). What constitutes "annual amount of all charges and other expenses"?

There is good cause for eliminating the following "charges and other expenses": Freight on sales, sales taxes, royalties on sales, commissions to outside sales agents, rents based on gross receipts, discounts on sales, and bad debts.

When the adjuster takes the liberty to exclude charges or expenses as set forth above, assured may very likely try to

get additional deductions. The reason for the above exclusions, however, is very much the same as that for excluding interest on bonds owned, because these expenses are of a class which will never be collected under any loss circumstances and are, in effect, merely deductions from the sales dollar.

Many accountants would consider that (CONTINUED ON PAGE 20)

This agent thought IT WAS "DUCK SOUP"



And so it was. He had a long list of friends and acquaintances enough for a tidy little business. It was when the HCL hit him and he decided to expand that he discovered that "handling" insurance isn't quite the same as "selling" it. His friends hadn't asked him the questions his new prospects did. They hadn't seemed to make the same demands, either.

Our friend, being wise, did as smart agents all over the country are doing. He turned to Pearl American to help him service his clients. Pearl American's policy of complete cooperation, flexible company attitude, speedy service and information, is really making insurance selling "duck-soup" for the agents on our team. We'll be happy to have you with us.

PEARL AMERICAN

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SAN FRANCISCO, 369 Pine Street

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CINCINNATI, 1423-24 Carew Tower
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ESTABLISHED 1911

PREFERRED FIRE INSURANCE COMPANY

701 Jackson St., Topeka
ESTABLISHED 1917

JOHN J. NANGLE, Pres.



EDITORIAL COMMENT

Cost of Brains Is Cheap

For years it has been impossible for the insurance business to compete financially for what are believed to be the best mentally equipped young men as employees.

Lower salaries was the chief reason for failure to get them. Now insurance frequently encounters the specific recommendation of college placement officers against employment in the insurance business.

The typical analysts for the business on one side, and often for the state insurance departments on the other, argue for hours battling with reams of statistics. What may be overlooked is that any increase in rate, which takes into account only the past and ignores the need for acquiring first class brains,

fails to include the most important expense factor. That is a factor which will enable the insurance business to compete successfully for the kind of management direction which is must have if it is to survive as a private enterprise in the American economy.

Insurance itself has been remiss in not emphasizing its right to be placed upon a footing of equal opportunity to obtain and hold the highest type personnel from clerks to presidents. Insurance commissioners as custodians of the future of the insurance business may also consider that a business may be solvent in dollars but may be on the way to becoming insolvent in future management values. Both are essential for the business.

Wavering Faith in Our Craft

An intemperate and ignorant blast at the insurance companies and Commissioner Larson of Florida in connection with the auto BI and PDL rate increases in that state which appeared in the St. Petersburg "Times" Aug. 8 made us see red and almost incited us to engage in some saucy back talk to this editor. But on further reflection our reaction turned to melancholy, and in this we were justified because the editor was called to account and came out with a satisfactory and prominently displayed apology. We got to thinking that here is something that we know about in an intimate way that is being treated so recklessly and with hair-raising inaccuracy and with choleric stricture falsely bottomed and that is enraging to the insurance reader but to no one else. It made us feel that there are other great areas of human conduct and activity that are being as badly handled factually and from an opinion standpoint as that and yet we have all become such specialists that we are prone to take at its face value what we read in the journals about things that we are not easily in a position to judge from our own experience.

This made us think of a remark that was made by a fine editor recently that the best reporters in the political and general fields that have come to his attention are those that have had experience in the financial department of the newspapers, in other words those dealing with financial and business news.

The reason is, of course, that virtually every word that is written in such a sphere is read closely and critically by informed persons and who are basing business decisions on what they read

there. These men learn to be held to strict accountability. They weigh their words and their information and they develop habits of accuracy and responsibility. This contrasts with the experience of many a newspaper man in general fields of reporting in which only a small fraction of his readers is in a position to detect his errors and who is rarely brought to law for inaccuracies. What made us shudder is to contemplate what the extent may be of irresponsible journalism and how each of us each day may be unsuspecting victims of it by our uncritical absorption of the errors in reports and opinions in fields that are foreign to us.

The St. Petersburg editorial that caused us to waver in our faith in our craft was headed "Are We Suckers?" and reads:

"Something smells mighty bad about this latest increase in Florida automobile liability insurance premiums.

"We know the way cars are built nowadays that a busted fender means replacing about half a car. We know that accident rates — generally — are going up.

"But according to Insurance Commissioner Ed Larson's office, in 1950 — before a 30% increase which took effect in 1951 — automobile insurance companies collected \$4,143,106 in premiums on 5- and 10 liability policies. And, Larson said, 'The companies paid out more than a million dollars in Florida last year.'

"What happened to that other three or four million dollars? If it didn't go into company profits it must have been used to pay off claims in other states. Either way it looks as though the

Florida motorist is getting a royal trimming.

"Sen. Henry S. Baynard fought a losing fight for a new Florida insurance code in the 1951 legislature. One of his principal arguments was that Florida insurance premiums should be based on Florida losses.

"The insurance company lobbies licked that bill. Maybe by the time Florida motorists have to shell out another extra million dollars or so on liability policies which they're required to have by state law — they'll be mad enough to make the 1953 legislature listen to reason."

Later the editor came along with this statement:

"J. Howard Gould, St. Petersburg insurance man, in the following letter to the Times [which was printed with the statement] clears up some facts about the rate increase ordered on automobile insurance in Florida. His letter is in answer to a Times editorial yesterday. This editorial was based on figures from

an Associated Press story carried in many papers yesterday. It now appears that somewhere along the line — between the insurance commissioner's office and the AP — these figures were misinterpreted and the AP is seeking a clarifying statement from the commissioner's office. The insurance men say bad driving with high awards by juries for damages is responsible for the increase in rates. If that is true, then our editorial fire should be directed at carelessness on the highway and too-liberal juries and not at the insurance men or the insurance commissioner. The way obviously to keep insurance rates down is for all citizens to drive carefully themselves and to insist that law enforcement officers bring to book quickly the offenders. In addition to that we believe the public would feel much better about any increase in rates if the insurance commissioner would conduct public hearings — just as utility rate making bodies do — before arbitrarily raising rates. — The Editors."

PERSONAL SIDE OF THE BUSINESS

Harry E. Frost, who has been with America Fore 31 years, has retired and is now located at Lake Geneva, Wis. He is adjusting losses for America Fore on a part-time basis and is catching up on his fishing, as he says. He was with America Fore in the claim division and for the past six years had been in charge of subrogation matters in the western department at Chicago and also had supervision over car hauling lines.

Vivien Kellem, Connecticut manufacturer who aspires to be Republican nominee for the U. S. Senate in Connecticut, spoke on television Aug. 12, mentioning a life insurance policy as an example that made all kinds of promises in the big type and took it all away in the small type. And Vivien wants to be the Republican nominee for Senate in Connecticut!

Joe B. Hunt, for 10 years assistant actuary of the Oklahoma insurance board, has been nominated by the Democrats for presidential elector.

Raymond E. Buck, who will now take the title of president as well as chairman of Commercial Standard and Commercial Standard F. & M. of Fort Worth, has been the chief executive officer of these companies since 1943.

dent due to the resignation of Karl F. Vasen. The latter became executive vice-president of Houston Fire & Casualty.

John M. Chervenak who was elected as a vice-president, has been manager of the fire and inland marine department for the past two years. Previously he had been assistant secretary of Louisville F. & M. for 4½ years, in charge of fire, auto, and inland marine and before that was with the Loyalty group at the head office for 11 years.

E. S. Robinson who becomes assistant to the president, joined Commercial



H. L. Adkison



E. S. Robinson

Standard in April. Before that he was with Tri-State of Tulsa. He has been in the business 26 years in various capacities and has seen service with Eagle Indemnity, Continental Casualty and Century Indemnity.

H. L. Adkison who has been elected assistant vice-president, has been home office claims attorney for the past five years. He was formerly with Superior of Dallas and prior to that was with Trinity Universal. He now becomes assistant manager of the claim department.

F. W. Lafrentz, chairman, and **A. F. Lafrentz**, president of American Surety, have left for an extensive visit to western branch offices. Included in their itinerary will be visits to the Chicago,



Raymond E. Buck



J. M. Chervenak

He became a director and general counsel in 1935 and was named chairman in 1943. He takes on the office of presi-

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PUBLICATION OFFICE:
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CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 2140. Chas. P. Woods, Sales

Editor: Kenneth O. Force.
Associate Editors: John C. Burridge, Charles C. Clarke and F. A. Post.
Assistant Editors: Ellsworth A. Cordesman and Donald F. Johnson.

Director: George C. Roeding, Associate Manager: George E. Wohlgenuth, News Editor: Arthur W. Riggs, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadis, Southwestern Manager.

DES MOINES 12, IOWA—3333 Grand Avenue, Tel. 7-4677. R. J. Chapman, Resident Manager.

DETROIT 26, MICH.—1102 Lafayette Bldg., Tel. Woodward 3-2826. A. J. Edwards, Resident Manager.

Executive Editor: Levering Cartwright.
Advertising Manager: Raymond J. O'Brien.
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Salt Lake City, Los Angeles, San Francisco and Seattle offices.

They will attend the annual meeting of Wyoming Assn. of Insurance Agents at Casper Aug. 25-26. A. F. Lafrantz will speak at that meeting on "The Place of Corporate Suretyship in Our American Economy." He is a native of Wyoming. F. W. Lafrantz introduced in the territorial legislature the successful joint resolution petitioning statehood for Wyoming.

Lane Kaley, formerly special agent at Seattle for Fire Association and more recently a commander in the navy, has been released from service and has returned to Fire Association with the marine department at New York.

J. E. Murphy, Minneapolis general agent, as stated in last week's issue is heading a group of business men there that have launched American General Ins. Co., a stock casualty company for the writing of automobile insurance. Mr. Murphy is president of the new organization which already has been licensed by the Minnesota department. The J. E. Murphy Co. is managing agent for American General. The new company has a capital of \$100,000 and paid in surplus of \$50,000.



J. E. Murphy

W. H. Hansmann, Jr., vice-president at Chicago for Fidelity & Deposit, who underwent an operation about six weeks ago, is still confined to his home at 1220 Maple avenue, Wilmette, Ill. He is reported to be making steady progress.

Herman Dunlop Smith, executive vice-president of Marsh & McLennan, Chicago, announced that a volunteers for Stevenson committee has been set up at 7 South Dearborn street, Chicago. This is to be on a national basis. Mr. Smith is an old and intimate friend of Adlai Stevenson.

Emil P. Janousek, Kansas manager of Security of New Haven at Wichita, is a new member of the Grandfathers Club, a 7-pound son named Brian Lee having arrived at the home of his daughter, Mrs. Lyle Buscher, at Des Moines.

J. J. Ferguson, vice-president and western manager at Chicago of Farmers Fire of York; Mrs. Ferguson and their son Hugh have just returned from Sioux City, Ia., where they witnessed the marriage of their son, John Clark Ferguson, to Miss Carol Anderson, daughter of Mrs. Bert O. Anderson of Sioux City.

Neville Pilling, U. S. manager of Zurich, with Mrs. Pilling, is in the midst of a two month European visit. They started in England and are now in Switzerland.

Excelsior to Get \$200,000 Via Common Stock Route

Excelsior of Syracuse is selling 20,000 shares of \$6 par value stock at \$10 per share. This will increase the capital from \$600,000 to \$720,000 and produce an increase of \$80,000 in net surplus. On June 30 the capital was \$600,000 and net surplus \$446,544. Present stockholders are to be given the right to subscribe to new shares at \$10 per share in the ratio of one new share for every five held. President Forrest Witmeyer stated that the liquidating value of the stock as of June 30 was \$14.30 as against \$13.40 at June 1951.

Tex. Credit Cover Hearing

The Texas board of insurance commissioners will hold a hearing on credit insurance at Austin Sept. 24.

DEATHS

JULIAN W. TYLER, who retired in June as vice-president and secretary of the Davis & Dissette agency at Cleveland, died at the age of 75. Mr. Tyler had been with the agency 15 years.

Mr. Tyler was born at Fort Wayne, Ind., and attended Western Reserve University at Cleveland. He was a Phi Beta Kappa. After being admitted to the bar he went with Tillotson Wolcott company, a large investment house of Cleveland and eventually became its secretary. He continued in that capacity until the company was liquidated about 15 years ago. He became a member of the Davis & Dissette firm in 1941 and was vice-president and secretary until the time of his death, although he had actually retired on July 1 of this year.

At the time of his death he was secretary of the Maryland Country Club and had been president of that club. He was also a past president of Canterbury Golf club. His ability as a master of ceremonies put his services in demand at many gatherings and in the latter years he served in such capacity at some of the meetings of Insurance Board of Cleveland. He was trustee of Western Reserve University, served 11 years on the Cleveland Heights school board and was president of that board for two years. He was an elder in the Calvary Presbyterian Church of Cleveland.

HARVEY M. CHESNEY, 50, Maryland insurance commissioner, died at Bel Air following an illness which confined him to his home since the early part of July. He became commissioner in May 1951. He had been especially active in the life insurance field, having been associated with the Harry Warren general agency of State Mutual at Baltimore since 1943. Since 1947 he had been district manager of State Mutual for Harford county and also operated a general insurance agency at Bel Air.

THOMAS HOOK, former superintendent of the A. & H. department of Standard Accident, died at the age of 79. He retired in 1941 after 47 years with the company. A native of Scotland, he started with Standard in 1894 in accounting work and was head of the



THOMAS HOOK

A. & H. department from 1921 until his retirement. In 1939 he was elected chairman of the governing committee of Bureau of A. & H. Underwriters. He served on the national A. & H. Week committee as long as it was continued. In 1940 he was honored for his long career and attainments in the A. & H. field at a dinner at Chicago attended by 200 A. & H. executives and managers.

HARRISON BERNARD BARNARD, prominent Chicago contractor who was president for many years of the old Builders & Manufacturers Mutual Casualty of Chicago and the successor corporation — Builders & Manufacturers Casualty that went into re-

ceivership in 1938 — died at the age of 80 at St. Luke's hospital, Chicago. He was a trustee of John G. Shedd Aquarium and an honorary trustee of University of Chicago. It was during his administration that Builders & Manufacturers reduced the computation of

the workmen's compensation premium to an hourly rate basis. This attracted a lot of attention at the time. The company was organized in 1915 by a group of contractors to take care of their workmen's compensation needs. The

(CONTINUED ON PAGE 28)

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All-Important N. Y. Auto Rate Action Is Soon Due

**Increases Affecting Huge
Volume Will Be Hailed—
See Demerit Plan**

Word is circulating by the grapevine that the New York state action on automobile bodily injury and property damage liability rates is going to be announced in the next few days. It is expected that the rate increase will be very substantial and this should prove to be a great tonic for the casualty business because New York has been a terrific blood sucker in this day of mounting automobile deficits.

Some time ago there was investigated as a possible plan to be introduced in New York a demerit rating system and it is rumored that this plan is going to be approved in New York. It provides for a 10% surcharge in the rate for one accident involving bodily injury or two accidents involving property damage within the experience period. There would be a 20% surcharge in the rate for more than two accidents in the experience period. That period begins, it is understood, two years before the anniversary of the contract and ends six months before that time.

Obstacle in Washington

In the state of Washington, Commissioner Sullivan rejected the National Bureau's rate increase filing that averaged 25% for private passenger BI and 40% for private passenger and commercial PDL. Mr. Sullivan asked the bureau to file additional supporting data and cited the provision in the law for hearing. He said he cannot accept the increases that are asked "without a greater and more persuasive substantiation that you have produced up to this time . . ." He said the bureau submitted only the experience available as of Dec. 31, 1950, and there are projections to cost level under policies issued at the proposed revised rates.

These projections, he said, are also based on the trend of classification cost by applying the percentage increase from 1949 to 1951 to the midpoint of 1953. Mr. Sullivan said he can't conclude that the revised rates are justifiable on the projection shown by the Bureau's trend factors supporting them.

Hikes in Wis., Mont., N. M.

Rate increases became effective Monday in Wisconsin, Montana and New Mexico.

For private passenger cars in Wisconsin the revisions result in rate increases ranging from a minimum of \$6 to a maximum of \$29 for BI and PDL combined. For most commercial cars the increases for the combined protection range from a minimum of \$3 to a maximum of \$23.

The rate in Milwaukee that is \$64 was formerly \$48; one that is \$106 now was \$79; \$92 compares with an old rate of \$68. In the Superior territory the rate that is \$74 was \$57. There is a \$122 rate for class 2 that was formerly \$93.

In the remainder of the state the class one private passenger rate is \$48

London Lloyds Issues Its First Official Rate Scale

The new London Lloyds rates for excess auto liability coverage are effective Sept. 1. Previously, London Lloyds has been writing such coverage above 5/10 limits, but now will do so only above 20/20 limits.

The practice in London has been to write American risks as a percentage of the American manual. This is the first time, it is said, that London Lloyds has issued a rate scale of any official kind.

Sept. 1 is also the date on which Lloyds will put into effect its minimum rate of \$1.50 and \$1.25 per \$1,000 of coverage for liability other than automobile. This is said to be aimed principally at getting premiums on small lines, say \$100 or less, up to a respectable figure. According to brokers, it should not make too much difference with risks developing large dollar premium.

while the old was \$38; class 2 is \$79 as against \$61 and class 3 is \$68 vs. \$53.

In Montana an increase in the present average rate level was not needed but there is a realignment of territories reflecting the changes in claims that have occurred in some areas. As a result there are lower rates in Butte and higher rates in Bozeman and Kalispell while rates elsewhere in the state remain unchanged. There is no increase in the present statewide rate level. The city of Butte formerly was a rating territory by itself and had the highest rate in the state. Now Butte is included with the other principal cities with resultant lower rates. This, the bureau states, marks another step in the progress of that city in reducing the cost of auto accidents. More than 20 years ago the rates in Butte were the highest of any city in the country, exceeding even those in New York city.

Big Reduction for Butte

Now the Butte rates are only about a third of those in New York which has the highest rates in the country. Bozeman and Kalispell are transferred from the remainder of state territory to the classification that includes the other principal cities. In Butte, the Class 1 rate is now \$31 as compared with \$38 in the past. Bozeman and Kalispell get the \$31 rate as compared with \$23.50 heretofore. The new class two rate for all these cities is \$50.50 and it used to be \$62.50 in Butte and \$38.50 in Bozeman and Kalispell.

In New Mexico for private passenger cars the revisions result in rate increases ranging from \$2 to \$18 for combined protection. For commercial cars in Albuquerque and Bernalillo county rates are increased for most cars \$4 for the combined coverage but in the remainder of the state rates for most commercial cars were reduced \$1 or \$2.

Revisions by Mutual Bureau

Mutual Insurance Rating Bureau announces a revision of auto liability rates in Arizona, Delaware and Maine.

In Arizona BI rates are increased on the average 14.2% and PDL 32.7% for private passenger cars. In Delaware the private passenger PDL rates are upped 11.2% while in Maine the private passenger PDL rates are up 33.7% and commercial car PDL 5.7%.

The mutual bureau has filed in Arizona, Delaware and Maine, outside the five states where it cooperates with National Bureau, and in the outside states its rates will differ because it uses all available experience not just its own.

Dread Disease Results Better Than Polio Cover Alone

Companies that are offering the so-called dread disease disability contract are much happier about the results than they are with the straight polio policy. For instance, one company finds its losses on the polio contract run nearly 70% whereas on the dread disease policy it is about 37%. About 80% of the business of this nature is written by this company on the combination dread disease plan, which demands a premium 66⅔% greater than that for the polio alone. The answer seems to be that there is an element of adverse selection in the straight polio coverage that is diluted when the coverage is gotten along with other so-called dread diseases.

Companies have had enough experience with the polio policy to find that a 15-day waiting period is highly important. Without a waiting period there is a very high incidence of loss right after the inception of policies.

Maloney Asks Venue Change in W. C. Ruling

LOS ANGELES—Following argument by counsel on a motion for a change of venue in the injunction granted six California insurers restraining Commissioner Maloney from enforcing his ruling on workmen's compensation rules and regulations, Superior Judge Herndon took the matter under submission.

Deputy Attorney General Haas, appearing for the commissioner, argued that any action against the state or state officials, must be brought in the county where the principal office of the official is maintained. He also denied the allegations of the plaintiff companies that the commissioner had exceeded his powers; that the companies had been denied due process of law; that they did not receive the completed ruling until 11 days after it was signed.

John O'Hara, of counsel for the plaintiff companies, contended that the action properly was filed in Los Angeles county because the impact of the damage was in Los Angeles, and that under the intent of the legislature in enacting statutes cited, the action might be brought in any county where the state official maintained an office. He pointed out that both the insurance department and the attorney general have offices at Sacramento, San Francisco and Los Angeles. The question is one that has not come before the courts previously!

Thief Gets Camera Instead of Camera Getting Thief

Camera insurers might well consider including a warranty against use of the camera in a thief-trap, judging from the experience of H. C. Fischer of Madison, Wis. Mr. Fischer's home had been burglarized twice recently. He rigged up a camera to catch the thief in the act. Nobody but the thief knows whether it did or not. He ignored other loot and made off with the camera—valued at \$150.

Farm Bureau Has Va. Rally

Farm Bureau Mutual Automobile of Ohio held a sales convention for Virginia at National Bridge. More than 250 agents attended the three-day meeting. Participating in the program from the home office at Columbus were Howard Hutchinson, vice-president in charge of operations; and William A. White, vice-president in charge of sales.

Banish Idea That Auto Rates Outprice Market, Dorsett Urges

**Tells W. Va. Agent Rally
to Give Public Reasons
Behind High Rates**

WHITE SULPHUR SPRINGS —J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies, told West Virginia Assn. of Insurance Agents at its annual convention here that the insurance business should become more affirmative in acquainting the public with the reasons for the inescapable necessity of rate changes in the presence of unprecedented economic inflation.

Mr. Dorsett referred particularly to fears that have been expressed within the business that recent increases in the rates for automobile liability insurance might "price the business out of the market" and the substantial publicity such statements have received.

He reminded the agents that in the past six years stock companies alone have lost \$200 million on automobile liability insurance, of which \$100 million was lost in the single year of 1951. "I am sure I do not have to tell any adult American that no industry can stand such losses over a substantial period of time. So let's stop talking about 'pricing ourselves out of the market.'"

Insurance Price Lags

Citing statistics to prove that automobile liability prices had lagged behind other commodities, Mr. Dorsett pointed out that since 1939 the consumer price index had risen 89%, with hospital costs soaring to 135%, and the cost of settling claims resulting from motor vehicle accidents 150% for property damage and 70% for bodily injury.

"In the same period of time," he declared, "automobile liability rates increased an average of only 35%. In other words, everything that affects the price of automobile liability insurance has increased considerably more than the price of insurance."

"Have you ever heard an automobile manufacturer protest that he was being priced out of the market, even though the cost of a new car has soared 136%? Did you ever hear a garage man sigh as he charged an insured customer 134% more to repair his car? Or hear any moans and groans from the great institutions of learning as they increased their tuition another 20 to 30% to meet rising costs?"

"Why should we continue to be the only great industry that refrains from going to the people themselves with our case for an honest profit. The vast majority of the American people still believe in a fair and honest profit for services well performed, and we measure up to that condition."

Decreases Came Fast

"If our industry has been guilty of any fault in the field of automobile liability insurance, it has been its failure to increase the rates in step with the advance of national inflation. During the last war the companies voluntarily reduced automobile liability rates twice and the first three post war rate increases merely brought them back to about the pre-war level. If every segment of our economy — government, labor and business — had done as well

(CONTINUED ON PAGE 28)

Seek 13.1% W. C. Rate Hike in Okla.

OKLAHOMA CITY—Following a 2-day hearing on the 13.1% hike in workmen's compensation rates proposed by National Council on Compensation Insurance, the Oklahoma insurance board gave interested parties until Aug. 25 to file rebuttal briefs. If approved by the board, the new rates would become effective Oct. 1.

Appearing in favor of the filing on behalf of the National Council were William Leslie, Jr., assistant manager, and his attorney, V. P. Crowe of Oklahoma City, together with about 15 Oklahoma managers of compensation carriers. The managers were called as witnesses by the council to back up the contention that the high loss ratio trend is continuing well into the first six months of 1952.

Agents Favor Increase

Representatives of Oklahoma Assn. of Insurance Agents also appeared in favor of the increase. They included Philip H. Viles, Claremore, president of the association, and Foster P. Boggs, Tulsa, chairman of the association's casualty conference committee. Mr. Boggs testi-

fied that some companies have been compelled to discontinue writing any workmen's compensation insurance. Others have stopped writing new coverage of this type, while many of those remaining have been forced to drastically curtail their writings.

Opposing the filing were E. J. O'Connor, executive vice-president of Associated Industries; his attorney, Clark Nichols, and their consulting actuary, E. I. Evans of Columbus, O. Joseph Shelton of National Assn. of Oil Well Drilling Contractors, who termed himself a neutral, directed questions to most of the witnesses.

Heavy Loss in 1951 Told

The board had previously granted a net 2.2% increase for the death benefits, but the council's figures showed that more deaths were being experienced than were contemplated in that increase. Mr. Leslie said the companies lost \$1,189,000 in Oklahoma in 1951, which placed them in an impossible position. He pointed out that since 1949 losses have risen 33% and premiums only 5%.

The agents' statement set forth that agents are having increased difficulty in finding markets for their compensation business, and that if the trend continues the market will be seriously curtailed. They blamed the situation on the inade-

quacy of previous rate adjustments. Several local agents appeared in their own behalf to relate the story of tight markets and high office loss ratios. They were J. J. Quin, Bartlesville; Guy M. Landis, Tulsa; Norman S. Casey, Tulsa, and Ralph Neeley, Oklahoma City.

Opposition centered on the contention that the National Council did not take into consideration the upward trend of wages, and that previously granted increases would absorb any underwriting losses currently being sustained. The hearing did not produce the fireworks that marked the two most recent such hearings in Oklahoma. It was obvious that the carriers had done some groundwork in the weeks preceding the hearing.

Organize Motorists for Safety and Lower Rates

The August Bulletin of American Assn. of Motor Vehicle Administrators calls attention to a new organization, Safe Drivers of America, Inc., formed by the New York state officials and the former commissioner of motor vehicles, Clifford J. Fletcher. Two major goals of the organization are to lower automobile insurance rates for members and to force off the roads the comparatively small percentage of drivers who are causing most of the accidents.

The organization is non-profit and has its headquarters in Albany. It plans to certify to the state superintendent of insurance the safe driving records of its members with a view to obtaining reduced insurance rates. Membership is \$1 a year and for this the organization files the member's driving and insurance records.

Mr. Fletcher is president. Victor F. Veness, deputy commissioner of motor vehicles; T. W. Ryan, state director of safety; H. W. Person, secretary of the ways and means committee of the New York assembly; H. P. Miles, deputy commissioner of motor vehicles; J. A. Gaffney, New York state police superintendent, and M. G. Osborne, state department of education field services chief, are directors.

Mich. W.C. Rates Up 8.2%

LANSING, MICH. — Workmen's compensation rates in Michigan are being revised upward, as of Sept. 18, an average of 8.2%, it was announced by the Michigan department.

The revision is to make allowance for liberalized benefits under the 1952 act of the Michigan legislature. The revised benefits provide for a \$3 weekly increase on minimum pay rates and range up to \$4 weekly for the maximum pay schedules. Maximum payments may not exceed two-thirds of weekly wage.

Crisis at Clairton, Pa.

The insurance agents of Clairton, Pa., were invited to attend a special session of the city council dealing with questions of liability insurance for the city. The coverage expires Nov. 1. The question of insurance came to the fore recently when the liability insurance terminated on the park swimming pool and new insurance could not be readily obtained. The pool was closed for one afternoon and then insurance was gotten through London Lloyds by Loyal W. Baker.

Javits Sees Action Ahead

WASHINGTON — Rep. Javits, New York, predicts action next Congress on his bill for investigation of auto liability insurance rates, auto accident rates and fatalities, state auto laws, and possible measures the federal government could take in connection with these matters.

Gallagher Portland Adjuster

Springfield F. & M. has appointed John J. Gallagher resident claim adjuster at Portland, Me. He succeeds Ralph B. Whitaker who has been transferred to the head office casualty underwriting staff. A navy veteran, Mr. Gallagher has three years of adjusting experience.

Mills Gives Reasons for Denying Auto Liability Rate Hike

Inadequacy of supporting data was given by Commissioner Mills of West Virginia as the reason for his disapproval of automobile liability rate increases proposed by National Bureau of Casualty Underwriters.

The bureau's filing, according to Mr. Mills, was based on a rearrangement of the rate structure and on premium and loss statistics. Information justifying the increases were inadequate on both counts, he said.

Mr. Mills in a letter to the bureau said he disapproved raising the profit and contingency factor from 2.5% to 5% because he did not feel that experience justified a 100% increase. He noted that he considered only two points of the bureau's argument of a positive nature: That for the years 1931-50 member companies experienced an underwriting loss of 1.9%, and that the casualty business returned less to stockholders for the years 1946-50 than realized by stockholders of corporations of other types of industries for the same period.

Argues Against Both Points

"The first point is quite inadequate," Mr. Mills observed, "because it deals only with underwriting profit which of itself is deceptive because of the cost and accounting methods peculiar to insurance. The second point brings to mind that the years 1946-50 have been a period of inordinate profits for most industries and I inquire if you would make a similar comparison at a future time when industrial and commercial corporations will be operating at a loss."

Heavy auto liability losses have been suffered, Mr. Mills continued, because of inherent weaknesses in rating methods which prevent rates from adjusting to business cycles and not because of failure to provide adequately for profit. However, over a long period of years influences within the business cycle reciprocate with the failures in the rates so that unanticipated losses when the economic trend is upward are counterbalanced by unanticipated gains when the economic trend is downward.

Mr. Mills said he rejected proposed hikes based on premium and loss statistics because the method of rate determination was essentially one of trends. Use of trends as the predominant influence on rate changes is not permitted under the West Virginia code, he said.

Jail Doesn't End Benefits

Wisconsin industrial commission has ruled that John Triligi of Milwaukee is entitled to workmen's compensation benefits even though he presently is in jail at Reno awaiting trial on charges of complicity in the \$1½ million burglary of the Redfield mansion there last February.

The commission said that if Triligi is found permanently disabled, he will be entitled to allowances even if convicted and sentenced to prison in connection with the burglary. Triligi received a back injury in 1948 while working as a cement mason.

Attend Auto Body School

About 30 adjusters for Lumbermen's Mutual Casualty and Allstate attended a school to study auto body damages and repairs at the Nash Motors body plant and technical service department in Milwaukee.

John A. Barry, branch manager for Casualty of California, has moved to new and larger quarters in the Flatiron building, San Francisco. The company specializes in workmen's compensation. Mr. Barry entertained many San Francisco company men, agents and brokers at an open house in his new offices.

BUILD YOUR OWN ACCIDENT AND HEALTH AGENCY

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Ages 1 month to 65 years

Lifetime Accident — Non-Confining Sickness

24 Hour coverage — On or off the job

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SAMUEL A. BOYD
Superintendent of Agents



17 E. Prospect Ave., Mt. Vernon, N. Y.

Reasons Auto Hike

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Expect Keener Competition for N. J. Disability

**Changes in Law,
However, May Be for
Long Term Good**

Insurers have made a modest profit out of their insurance of the non-occupational disability program in New Jersey, but they expect this to be more difficult to do beginning next year. On Jan. 1, the rate of contribution will change. Heretofore, employees have paid 75/100 of 1%, and employers have paid the difference up to 1% of payroll, to support the fund. After the first of the year, employees will contribute 50/100 of 1% of payroll and employers will make up the difference.

Another change increases the benefit from 60% of the average wage in the preceding four quarters to two-thirds of the average wage in the last eight weeks of employment. This will make a difference, but observers say they don't know whether it will mean that benefits paid out will increase or decrease. The objective here was to get a more recent wage history; to pay benefits on recent wages and not wages earned a year or so ago. Benefits per week went to \$30, from \$26, effective July 1.

Short and Long Range

Insurers figure to lose some business. This is the short range prospect. Heretofore they have had 1% to work with; now they will have 3/4 of 1%. The cost to the employer in the state fund is 1/4 of 1%, and that is all. A plan in the private insurer may cost the employer more. If this is the case, some employers are apt to turn to the state fund, where they can buy for less money all that the law requires them to provide employees.

As a matter of fact, group disability rates are being increased by the large life companies. One large life insurer has gone from 72 cents to 92 cents, and other insurers have either increased or plan to do so. In general the rates are expected to be about the same. Casualty companies writing the line have increased rates or plan to do so.

Although underwriting more carefully, the effort of the private insurers will be to get more business of the choice variety. The service of the private insurers is far better than that of the state fund. However, if the cost of the disability program to the employer who is insured in a private program is much greater than the amount for which he can buy the minimum but lawful coverage in the state fund, no matter how much better the private insurance plan is, he will be tempted to go to the fund. It is here that the competition is going to be keen.

In the group field as a whole, the concern of the insurers is the rising cost of claims. In 1950, in California, on the non-occupational disability business, the private insurers had earned premiums of \$31,724,408, but they sustained an over-all loss of \$603,368. Benefit losses incurred were \$24,505,988. In 1951 premiums earned were \$40,701,642 and benefit losses incurred \$32,322,114. How-

ever, in 1951, the companies sustained a smaller over-all loss, \$352,121. The difference is represented by a big cut in dividends. These were reduced by half, which means that the cost to employers was that much more.

There has been a steady increase in premiums in recent years in California and New Jersey due to several factors, but principally to the fact that the unions have been urging it. The addition of hospital, medical, surgical, and like coverages have put a considerably higher value on the insurance, in the eyes of employers.

One prognostication is that New York, which currently is on a 13 week benefit basis, will go to 26. The maximum in California, New Jersey and Rhode Island is 26 weeks. Observers also anticipate that other states will adopt disability laws of some kind in the next few years. Those expected to move first are Connecticut, Maryland, Pennsylvania. In those states, it is apt to happen in the next year or two.

One thing has been pretty clearly demonstrated. That is that the disability laws have accomplished their purpose so far very well, the insurance of workers for disability. The insurance business has done a good job. It is a fact, however, that a great proportion of the

people will not buy this sort of coverage voluntarily — some of them will, but many of them will not. This has come to be pretty generally recognized.

New Pamphlets on Need for Casualty-Surety Cover

The first of a series of pamphlets dealing with the need for casualty and surety coverage and the types of policies available has been published as a management aid for small business and is now ready for distribution.

Written and prepared by the research department of Assn. of Casualty & Surety Companies, the four pamphlets present insurance information in non-technical language. The first pamphlet deals with fidelity, forgery and surety bonds. Others in the series will cover boiler and machinery, glass, automobile, workmen's compensation, A. & H., general liability, and credit insurance.

In each case the leaflets emphasize that any insurance program must be tailor-made to the needs of the particular company and that the qualified agent or broker is the man best fitted to give detailed advice on the kinds of coverage needed.

Copies may be obtained without cost

from the Small Defense Plants Administration or the U. S. Department of Commerce, but no more than 10 copies will be sent in response to any one request.

Assn. of Casualty & Surety Companies is planning to reprint a large number of copies and additional leaflets may be obtained from it at \$4 per 100.

K. C. Elementary Course

The education committee of Insurance Agents Assn. of Kansas City is offering an elementary indoctrination course on insurance to office personnel of members starting Sept. 18. This will consist of three two hour sessions on successive Thursday afternoons. The class is restricted to 20. Allen B. Rumberger is chairman of the committee.

American Cas. Buys Building

American Casualty has purchased an office building at Reading, Pa., from Metropolitan Edison Co. for \$1,125,000. The building was erected in 1927.

Insurance Women of Austin, Tex., discussed plans for attending the convention of the federation at Corpus Christi. It was also decided to hold founder's day in November and combine it with bosses night.

THIS WE BELIEVED

in
1929

"and still do in 1952"

Statement
Continental
Assurance
Company
published in 1929:

"We believe that a fire and casualty agency to be well balanced should write life insurance and, in many instances, have a full fledged life department working in cooperation with other departments."

Ordinary
Group
Group
Permanent



Our belief in that principle is firm and unchanged. Continental Assurance has accumulated a rich store of experience in this connection... a value-plus in know how... which accounts for our unique ability to make life insurance a major asset to fire and casualty agencies.

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Assurance Company**

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Associates:
Continental Casualty
Company
Transportation Insurance
Company



P.S. If you have any hard-to-place line worries...
relax with Continental and life insurance.

Matt Mancha Agency Sold

Business of the Matt T. Mancha Co., pioneer Los Angeles local agency, has been purchased by the Clairemont-Tollin Co. agency there. Mr. Mancha died recently.

SHOW COUNTRYWIDE LIABILITY OTHER THAN AUTO PREMIUMS FOR 1947-51

Countrywide liability other than auto premiums are shown in the accompanying tables compiled by the New York department from insurance expense exhibits filed by companies licensed in that state. The tables show earned premiums

and incurred losses on a net premium basis, after reinsurance. Incurred losses are based on case estimate reserves and exclude allocated claim expenses. For the years 1949, 1950 and 1951 the tabulations include figures of both cas-

ualty and fire insurers. The columnar arrangement of expense groups has been changed to conform with the revised form of expense exhibit.

Because of fluctuations in premium volume from year to year, expense

ratios have been adjusted so as to relate certain types of expense to written premiums in order to present more accurate results. Expense ratios do not include federal income taxes in any of the five tables.

Aggregates—Liability Other Than Auto—Bodily Injury

Country-wide									
		Underwriting Ratios			Expense Analysis				
	Net premiums written	Losses incurred to earned	Exp. (adj.)	Net gain (adj.)	Loss adj. to earned	Comm. to written	Other acq. to earned	Gen. exp. to earned	Taxes & fees to earned
Stock Companies—									
1947	\$150,877,000	\$136,936,000	36.5	53.0	10.5	9.3	25.5*	15.1	2.8
1948	159,584,000	152,652,000	43.6	53.5	2.9	10.1	26.0*	14.7	2.7
1949	167,203,000	158,940,220	43.3	58.0	-1.3	12.3	21.5	7.2	14.3
1950	182,137,859	171,780,054	43.1	62.2	-5.3	15.8	21.3	7.2	15.0
1951	209,079,354	192,100,493	48.1	59.4	-7.5	14.6	21.0	6.9	13.9
Mutual Companies—									
1947	26,303,000	26,614,000	42.2	35.6	21.2	10.2	11.6*	11.6	2.2
1948	30,948,000	29,771,000	38.5	38.2	23.3	11.8	12.4*	11.8	2.2
1949	38,238,901	32,916,920	47.0	43.1	9.9	14.2	6.4	8.2	11.2
1950	38,026,534	36,599,573	45.1	46.8	8.1	16.5	7.5	9.1	11.5
1951	46,897,821	43,867,967	53.4	46.8	-2.2	17.0	7.5	8.9	11.0
Reinsurance Companies—									
1947	5,154,000	4,660,000	54.8	47.1	-1.9	3.0	39.4*	2.9	1.2
1948	5,107,000	5,224,000	52.6	45.2	2.2	3.7	37.3*	2.5	1.3
1949	5,054,899	4,967,208	99.0	46.3	-25.3	4.9	1.7	1.7	1.7
1950	5,451,187	4,997,926	77.5	35.9	-33.4	13.3	38.2	1.8	2.1
1951	5,406,449	5,656,286	87.6	46.9	-34.5	12.8	30.8	1.2	1.7

Aggregates—Liability Other Than Auto—Property Damage

Stock Companies—										
1947	\$23,638,000	\$21,224,000	41.0	50.2	8.8	9.4	25.1*	—	12.9	2.8
1948	29,505,000	27,892,000	43.8	48.9	7.3	8.8	25.3*	—	12.1	2.7
1949	33,282,453	31,492,527	38.1	54.9	7.0	10.9	21.2	6.8	13.5	2.8
1950	38,727,895	35,965,125	40.0	56.8	3.2	12.3	20.7	6.9	13.2	2.8
1951	47,005,877	44,718,608	42.0	57.3	7.7	13.5	21.0	6.9	12.9	3.0
Mutual Companies—										
1947	4,969,000	4,593,000	47.5	32.1	20.4	7.8	11.1*	—	11.2	2.0
1948	6,790,000	6,524,000	47.3	34.7	18.0	9.6	11.8*	—	11.2	2.1
1949	8,699,453	8,329,453	50.8	41.2	8.0	13.3	3.7	10.5	11.7	2.1
1950	8,474,339	8,200,782	55.0	48.3	-3.3	16.6	4.7	11.2	11.6	2.2
1951	12,335,731	11,806,178	53.1	43.7	3.2	16.6	4.8	10.6	11.4	2.3
Reinsurance Companies—										
1947	1,472,000	1,342,000	42.1	45.2	12.7	3.3	37.5*	—	3.2	1.0
1948	1,561,000	1,467,000	85.5	46.3	-31.8	6.7	34.9*	—	3.1	1.6
1949	1,533,369	1,506,184	62.6	47.4	-10.0	4.5	38.7*	1.4	2.2	6.6
1950	1,614,343	1,508,454	77.3	44.7	-22.0	6.7	34.0	1.2	2.6	6.6
1951	1,728,962	1,680,530	103.4	46.7	-50.1	9.9	33.2	1.1	2.0	.5

† These ratios show results before consideration of Federal income tax.

* Includes other acquisition expense.

Mutual Companies

American Mut. Liab. —	\$4,203,586	\$4,157,660	64.0	41.8	-14.8	12.7	5.6	19.2	8.8	24.6
Atlantic Mut. Ins.	421,863	380,712	44.5	69.5	-14.0	13.1	14.9	6.2	99.4	2.3
(Am.) Lumbermen's M. Cas.	4,526,963	4,365,198	57.0	50.4	-7.4	12.5	14.4	7.4	13.7	2.3
Badger Mut.	8,337	2,210								
Bakers Mut.	269,499	269,203								
Consolidated Taxway Mut.	2,671,826	2,460,126	46.4	48.2	4.4	9.1	10.7	4.8	3.4	2.8
Continental Mut. Cas.	778,957	688,845	65.0	46.4	-11.4	14.5	11.2	5.7	39.9	1.8
Electric Mut. Liab.	146,566	117,434	15.5	31.2	8.9	24.6		1.4	9.9	
Empire Mut. Cas.	140,635	107,042	51.5	35.7	10.8	11.4	11.4	4.4	10.0	2.8
Employers Mut. Liab.	5,600,493	5,635,718	45.5	43.2	11.5	16.4	5.8	10.8	8.1	2.8
Exchange Mut. Ind.	91,621	92,272	69.3	38.1	-7.4	11.7	16.1	7.0	5.6	2.4
Factory Mut. Liab.	96,090	80,913	28.6	30.4	41.0	8.6	11.8	7.9	10.0	2.8
Farm Bureau Mut. Auto.	1,251,909	1,123,023	16.1	65.1	18.8	9.7	12.6	16.6	25.4	2.3
Federated Mut. Imp. & H.	197,689	156,777	35.2	72.2	-7.4	12.9		30.1	25.0	4.3
General Mut. Ins.	97,979	88,598								
Greater N. Y. Taxpayers	3,679,874	3,146,966	47.9	48.4	3.7	20.2	11.9	4.8	8.7	3.1
Hardware Mut. Cas.	1,485,260	1,502,178	44.2	49.7	6.1	8.2		28.5	15.6	2.2
Hardware Mut. Ins.	866,590	449,474	27.9	63.7	-8.0	16.0	3.1	21.6	23.8	1.1
Ideal Mut.	31,108	76,098								
Interboro Mut. Ind.	134,356	184,489	38.1	32.6	9.8	28.8	—	2.7	17.8	8.1
(Iowa) Employers Mut. C.	881,649	853,076	27.9	57.9	14.2	11.4	26.5	5.2	13.2	2.2
Jamestown Mut. Ins.	128,107	107,118	24.4	52.6	23.0	11.6	13.8	6.7	19.2	1.1
Liberty Mut. Fire	10,839,082	10,514,507	66.8	45.8	-12.6	24.3	9.8	0.1	10.1	2.2
Liberty Mut. Ins.	296,252	260,292	101.8	62.2	-64.0	23.5	8.8	7.6	16.3	3.3
Lumber Mut. Cas.	2,879	299								
Lumber Mut. Fire	688,258	658,759	46.1	79.0	-27.1	18.3	24.2	7.8	25.9	2.2
Merchants Mut. Cas.	1,446,635	1,345,769	43.7	38.1	26.8	16.0	8.0	6.2	6.3	1.1
National Grange Mut. Liab.	577,936	515,546	37.0	36.2	18.2	16.0	8.6	13.5	10.0	3.3
Penn.-Threshermen & Farm.	422,708	409,716	33.7	52.0	14.3	10.4	24.9	1.7	11.9	9.0
Public Service Mut.	800,278	714,139	38.8	37.2	24.0	7.6	14.0	6.1	7.2	2.2
Security Mut. Cas.	332,745	319,713	76.4	18.8	4.8	4.7	12.6	—	7.7	
Security Mut. Liab.	1,677,315	1,427,090	68.3	38.2	24.5	15.8	9.0	3.4	7.4	2.2
State Farm Mut. Auto.	340,089	318,182	39.0	38.5	24.5	15.8	9.0	3.4	7.4	2.2
Truck Ins. Exchange	680,623	549,256	27.1	41.8	31.1	6.9	6.7	7.8	17.9	2.2
Ulrica Mut. Ins.	901,382	793,657	53.2	56.4	-9.6	15.9	10.5	6.2	21.0	2.2
Total—Mutual Cos. —	\$46,897,821	\$43,867,967	53.4	46.8	-2.2	17.0	7.5	8.2	21.0	2.2

Reinsurance Companies

American Re	\$900,158	\$986,599	108.9	55.6	-62.5	26.8	24.4	2.4	1.7
Employers Re	1,189,709	1,409,940	154.3	41.7	-86.0	19.2	19.2	2.1	—
Excess Ins.	299,646	248,787	66.3	43.9	-10.2	8.6	27.1	3.0	2.2
General Reins.	1,361,296	1,314,610	90.0	45.4	-35.4	7.7	35.5	.5	3.4
N. A. Cas. & Sur. Re.	1,446,473	1,400,763	20.1	46.5	31.4	6.1	40.7	.2	1.3
Reins. Corp. of N. Y.	8,824	3,987	—	—	—	—	—	—	—
Swiss Re.	200,340	391,600	—	—	—	—	—	—	—
Total—Reins. Cos.	\$5,406,449	\$5,656,286	87.6	46.9	-34.5	12.8	30.8	1.2	1.7

Wiggins, Todd Take Key Posts with La. Bureau

Parker A. Wiggins will become an assistant manager of Louisiana Rating & Fire Prevention Bureau for administration and public relations about Oct. 1. He is a graduate of Northwestern State College and after air force service joined the Peter F. Pescud agency of New Orleans. Since 1947 he has been special agent in Louisiana for Springfield Fire & Marine, and he has taken an active part in fire prevention and public relations activities. He is a director of the bureau.

William C. Todd, who for the past year has been with the bureau in an advisory capacity on leave of absence from the Middle Department Assn. of Fire Underwriters, has taken a permanent assignment as research director. He

has had long and varied experience in fire insurance rating. He played an important role in the development of the uniform grading schedule now used in Pennsylvania and has served on nationwide committees engaged in schedule testing and revision. Mr. Todd will work closely with Assistant Manager Kenneth L. McIntosh, who continues to have general supervision of schedules, rules and forms, in the development of an improved rating system for Louisiana. Mr. McIntosh has completed the requirements for a C.P.C.U. certificate.

Kalamazoo Agents Elect

W. A. Pierce of H. A. Pierce & Son has been reelected president of Kalamazoo (Mich.) Assn. of Insurance Agents. Harris J. Mowery of the Rankin agency is vice-president; Richard Early, Jr., secretary, and Charles Garrett, treasurer.

Anderson to Barclay Co.

Bion B. Anderson has been appointed manager of the insurance department of Geo. D. Barclay Co., formerly known as Mortgage Finance Corp., with offices at Tacoma, Lakewood and Olympia, Wash.

Mr. Anderson has had extensive ex-

perience with Factory Insurance Assn. at Hartford, special agent for Springfield Fire & Marine and broker's representative for American at New York. He also operated his own agency in Maine. He was formerly with Frazier & Co., Seattle general agency, and United Pacific.

Stock Companies

	Country-wide									
	Underwriting Ratios				Expense Analysis					
	Net premiums written	earned	Losses incurred to earned	Exp. (adj.)	Net gain (adj.)	Loss adj. to earned	Comm. exp. to earned	Other acq. to earned	Gen. Taxes & Fees to earned	Taxes & Fees to written
Accident & Casualty	\$154,935	\$498,106								
Aetna Cas. & Sur.	14,117,815	12,918,751	47.3	59.5	-6.8	15.7	19.3	9.7	11.7	21
Alliance Assurance	29,318	27,030	33.6	36.2	30.2	1	-4.4			35.6
American Auto Ins.	3,649,770	3,785,769	34.3	67.6	-1.9	12.4	26.3	14.1	11.4	34
American Casualty	1,728,570	1,637,357	53.5	73.1	-26.6	23.9	29.6	7.0	9.8	2.8
American Employers	2,382,084	2,181,928	28.9	66.0	5.1	12.8	24.4	5.1	21.2	25
American Fd. & Cas.	161,779	135,683	26.8	35.8	3.4	7.7	19.4			37
American Guar. Liab.	542,244	520,367	45.8	57.4	-3.2	11.3	24.1	2.5	15.6	3.6
American Motor Ins.	1,251,627	1,271,340	50.6	42.9	6.5	10.0	14.1	7.6	9.0	2.3
American Poliohold.	-14,130	95,276								
American Surety	3,597,307	3,274,541	58.3	65.7	-34.0	15.0	19.2	11.2	16.9	3.4
Arex	274,277	193,664	43.6	47.2	9.2	10.4	17.5	3.6	16.6	3.1
Associated Ind.	97,875	610,657	47.6	48.1	4.3	15.2	14.3	5.2	9.9	3.5
Bankers Ind. Group	1,927,697	1,657,521	56.0	72.2	-78.2	18.2	21.8	6.6	22.5	31
Birmingham of Pa.	1,240	1,135								
Boston Ins.	194,245	99,207								
British America	42	3								
Camden Fire	3,705	1,986								
Car & General	403,638	385,544	51.4	70.5	-21.9	16.7	29.5	4.3	16.8	3.2
Centennial Ins.	28,976	15,238								
Central Surety	1,107,458	1,071,683	28.9	60.4	10.7	8.7	30.1	2.5	16.2	2.9
Century Indemnity	3,598,889	2,927,036	46.6	69.6	-16.2	14.6	21.1	8.2	20.6	2.5
Citizens Casualty	488,904	474,153	53.5	56.8	-10.3	15.9	28.6	7.3	2.3	2.9
Columbia Casualty	61,222	576,690	42.2	72.0	-15.2	17.7	24.6	6.2	20.8	3.7
Commerce Ins.	470,705	277,455	40.0	70.8	9.2	12.6	12.8	7.3	16.2	1.9
Commercial Ins.	2,131,795	1,981,594	59.4	57.7	-17.1	13.4	21.9	7.2	12.2	3.9
Concordia Fire	3,312	5,217								
Connecticut Fire	18,124	10,455								
Continental Ind.	3,918,193	3,805,776	51.1	92.7	-48.8	29.1	17.4	24.6	16.8	4.8
Continental Cas.	5,417,136	5,277,697	61.4	57.4	-18.8	15.6	21.8	4.7	12.8	2.5
Dubuque F. & M.	4,414	1,262								
Eagle Fire of N. Y.	184,917	154,584								
Eagle Star	163,689	68,609								
Employers Fire	1,505	389								
Employers Liab.	5,974,865	5,884,470	53.5	62.9	-16.4	14.0	21.8	4.7	19.4	3.0
Equitable F. & M.	3,667	2,091								
Federal Ins.	117,273	108,201								
Fidelity & Casualty	8,274,428	7,866,935	51.5	62.1	-13.6	14.4	21.1	9.4	14.1	3.1
Fidelity & Deposit	57,633	66,432								
Fire Ass'n-Phila.	157,218	61,824								
Fireman's Fund Ind.	4,218,564	3,434,631	49.7	64.0	-13.7	15.4	20.7	9.0	13.4	3.5
Fireman's Fund Ins.	60,754	85,537								
Firemen's of Newark	47,536	44,719								
Founders Ins.	187,486	185,326								
General Acc. F. & L.	3,896,081	3,663,897	37.9	63.5	-1.4	17.9	23.3	3.4	16.0	2.9
General Casualty	3,029,722	2,773,498	35.3	62.4	2.3	12.5	25.4	3.4	16.0	2.9
General Fire & Casualty	1,352,409	1,081,336	92.0	49.2	-41.2	14.6	16.0	4.8	11.2	2.6
Girard Ins., Phila.	5,312	8,217								
Glens Falls Cos.	2,517,387	2,497,094	40.0	60.9	-9.9	12.6	21.6	7.3	16.2	3.2
Great American Ind.	3,698,279	3,388,300	39.4	70.7	-10.1	17.6	20.9	8.4	20.4	3.4
Hardware Fire	37,019	33,529								
Hardware Ind.	-391,102									
Hartford Acc.	17,253,725	15,081,834	51.2	62.9	-14.1	20.2	19.0	4.8	16.4	2.7
Hawkeye Security	309,004	281,631	28.4	59.9	11.7	8.9	27.0	5.5	15.6	2.9
Home F. & M.	24,196	21,384								
Home Indemnity	3,478,002	2,972,584	46.2	58.2	-4.4	12.3	21.1	7.0	14.5	3.3
Indemnity of N. A.	9,586,998	9,053,832	43.4	56.4	-2.2	14.2	18.2	6.6	14.4	3.0
Insurance of N. A.	19,729	11,546								
Kansas City F. & M.	14,651	8,416								
Landon Assur.	29,318	27,030								
London Guar. & Acc.	1,789,394	1,521,802	21.5	56.6	-21.9	8.9	23.5	5.7	15.6	2.9
London & Lanc. Ind.	1,205,948	1,211,988	47.1	62.2	9.3	13.9	23.7	6.5	15.1	3.0
Manhattan Casualty	136,808	82,134								
Manufacturers Cas.	890,997	917,461	53.5	72.6	-26.1	17.4	25.6	8.5	17.9	3.2
Marine Ins.	29,318	27,030								
Marineand Casualty	3,478,002	6,028,980	38.3	55.9	-5.8	13.4	23.7	7.0	8.8	3.0
Mass. Bonding	4,136,708	3,969,296	58.8	58.8	15.3	15.7	20.1	6.1	13.6	3.3
Merchants Indemnity	215,960	182,450	37.8	64.5	-2.5	20.3	22.2	2.2	4.0	3.5
Metropolitan Cas.	2,228,345	2,107,636	56.6	55.2	-11.8	13.0	22.7	6.6	10.4	2.5
Mitchell & Co.	34,508	19,705								
Milwaukee Ins. Co.	14,420	14,100								
National Ben Franklin	5,312	9,217								
National Casualty	142,133	119,862								
National-Hartford Group	930,721	750,057								
National Surety Corp.	1,217,682	982,824	44.0	73.9	-17.9	13.3	25.1	9.6	22.8	3.1
National Union Fire	5,954	11,462								
New Amsterdam Cas.	5,796,675	5,393,946	51.3	57.8	-9.1	14.6	24.8	7.0	8.7	2.7
New England Ins.	-119,432	26,273								
New Jersey Mfrs.	445,902	434,160	21.8	37.4	40.8	17.3	1.2	7.8	3.6	1.5
New Zealand Ins.	20,388	5,626								
North River Ins.	422	28								
Norwich Union Fire										
Ocean Accident	1,376,569	1,302,171	39.0	70.6	-9.6	19.0	24.3	6.5	17.1	3.7
Ocean Colony Ins.	83,248	42,518								
Ohio Farmers Ind.	546,298	540,298	32.0	47.7	20.3	10.0	26.4	5.0	5.0	1.3
Pacific Indemnity	2,628,682	2,406,628	87.3	49.8	-7.1	15.2	25.5		6.5	2.6
Peerless Cas.	447,996	422,782	66.1	30.7	3.2	8.2	21.2	4.2	2.1	2.4
Penn Mfrs Ass'n Cas.	608,449	653,859	34.0	28.1	37.9	11.6		6.0	9.2	1.8
Phila. F. & M.	2	2								
Phoenix Indemnity	1,071,329	1,144,296	24.4	55.8	19.8	9.1	25.7	5.9	12.2	2.9
Phoenix Ins. Co.	30,382	17,336								
Potomac Ins.	432,893	407,100	37.9	64.2	-2.1	17.9	24.0	3.4	16.0	2.9
Providence-Wash. Ind.	92,493	51,540								
Providence-Wash. Ins.	3,696	3,587								
Reliance Ins.	39,304	15,627								
Royal-Liverpool Group	9,918,612	8,996,439	43.1	65.9	-9.0	17.1	21.2	6.8	17.6	3.2
St. Paul-Mercury Ind.	5,841,133	5,134,857	57.6	54.6	-12.2	12.4	23.2	6.6	9.7	2.7
Sec. Ins. Co.	29,318	27,030								
Seaboard Surety	845,742	327,216								
Security-New Haven	247,622	125,585	59.0	71.6	-30.6	23.2	37.6	2.2	5.9	2.7
Southern Fire	56									
Springfield F. & M.	379,585	218,755	11.2	74.1	14.7	25.4	15.8	12.8	18.4	2.8
Standard Accident	4,128,212	3,737,259	37.3	57.9	4.8	12.3	22.7	4.8	15.3	2.8
Sun Indemnity	413,391	431,493	33.2	65.0	1.8	3.4	19.0	6.5	31.8	4.3
Travelers Ind.	5,165,807	3,961,474	38.6	54.6	1.3	11.1	19.5	5.6	11.7	2.7
Travelers Ins.	16,955,327	14,559,584	53.2	49.1	3.3	12.1	15.5	5.1	10.4	4.9
United Pacific Ins.	1,354,799	1,295,525	39.6	50.1	10.3	12.1	24.4	6.2	5.0	2.4
U. S. Casualty	2,216,759	2,179,163	50.0	54.7	-4.7	12.5	24.4	5.5	9.1	3.2
U. S. Fd. & Guar.	13,363,551	12,548,642	51.6	54.0	-5.6	10.7	22.0	7.0	11.6	2.7
U. S. Fire	834	56								
U. S. Guarantee	1,334,505	1,192,554	55.8	69.0	-24.6	22.4	19.9	5.5	18.2	3.0
Vigilant Ins.	14,659	13,524								
Westchester Fire	445	30								
Western Assurance	75	5								
Western Nat. Ins.	651	651								
White Cross Ins.	36	36								
Yorkshire Indemnity	319,722	322,034	105.0	86.6	-91.6	43.0	22.3	5.5	11.5	4.3
Yorkshire Insurance	138,572	50,860								
Zurich Gen. Acc.	5,346,322	5,377,369	50.2	56.4	-6.6	13.7	20.3	2.7	17.1	2.6
Total-Stock Cos.	\$209,079,354	\$192,100,493	48.1	59.4	-7.5	14.6	21.0	6.9	13.9	3.0

1947-51

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N. J. AIMS

Whack at F.R. and Safety Aspects of Traffic Problem

Two undertakings by the state of New Jersey have attracted the attention of insurance men interested in the widespread agitation for compulsory automobile casualty insurance and of insurance men and others interested in traffic safety. One is the unsatisfied judgment; the other is the adoption of a point system for traffic reform in New Jersey, which seems to be pretty much the system in use in Connecticut, where it has had considerable success.

Quite a few states are interested in the combination of strict safety responsibility law with the unsatisfied judgment fund law which went on the books in New Jersey this year, and a good many of them may set up something similar to what is now called the New Jersey plan. The strict type of S.R. law is not unusual. It has a \$100 figure for property damage. The limits on the liability are 5/10/1, which is somewhat surprising in view of the fact that prior to the time the law was passed New York already had adopted 10/20/5 limits and Connecticut had gone to 20/20/1.

First Major State with UJF

But with its unsatisfied claim and judgment fund, New Jersey takes a step which is unusual if not unique. The law itself is substantially different from anything else in the United States, and New Jersey is the first major state to take this course in an effort to meet the growing criticisms of the fundamental shortcoming of the strict type financial responsibility laws. That is perpetual small percentage of drivers who cannot be induced to purchase insurance or provide other effective financial responsibility.

The fund also provides a means for picking up other failures in liquidating the economic consequences of traffic accidents, such as injuries and damage caused by hit-and-run drivers, by out-of-state drivers and by motorists who order insurance so as to give evidence of coverage at the time they register their automobiles, but who fail to pay for it, and then have an accident after the insurance has been cancelled but before the police can pick up the plates. There is said to be a considerable amount of this in Massachusetts under the compulsory automobile law there.

Details of UJF Law

House bill 410, effective April 1, 1955, for claims and adjustments, becomes effective a year earlier, April 1, 1954, for purposes of creating the fund. Purpose of the act is to establish an "unsatisfied claim and judgment fund" for the payment of uncollectible claims and judgments for personal injury or property damage arising out of the ownership, maintenance or use of motor vehicles.

Each person who registers an uninsured motor vehicle after April 1, 1954, will pay \$3 into the fund, over the regular registration fee. Each person who is registering a motor vehicle that is insured will pay \$1 additional into the fund. Insurers who write the line will pay one-half of 1% of its net direct premiums in New Jersey into the fund.

The \$3, \$1, and one-half of 1% will be the maximum collected after the first year. However, the state treasurer will estimate the amount needed to effect the provisions of the act in the ensuing registration license year, and up to these maximums will set the amount of the fees each year to be collected for the fund according to need.

The act creates an unsatisfied claim and judgment fund board. This comprises the state treasurer and four insurer representatives.

Anyone suffering an injury or damage that arises out of the ownership, maintenance or use of a motor vehicle in

New Jersey after April 1, 1955 and whose injury or damages may be satisfied in whole or in part from the fund, is required within 30 days after the accident to apply for payment from the fund. He must give notice to the board of his intention to make a claim and that notice has to be accompanied by certain specific information.

The board then is required to assign all default actions and hit-and-run cases to insurers to investigate and defend. The board is authorized to assign to the companies any other claims it deems advisable, to investigate or to defend. The assignments are to be made in proportion to premium writing.

Anyone who recovers a judgment for an amount exceeding \$200 is authorized to apply for payment out of the fund up to the limit of 5/10/1. Presumably this would be done in all cases where there was any doubt about the financial responsibility of the defendant and of course the board would have to be notified within 30 days of the accident.

(CONTINUED ON PAGE 28)



"I THOUGHT IT WAS TIME YOU TWO MET. MR. KINDER GIVES ME ALL THOSE ESTIMATES THAT YOU ACT UPON."

Not much time to play...

"Granddaddy's got to go to work..."

Millions of workers 60, 65 and older are filling the increasing number of jobs required by our defense-gear economy. The great majority of these people vitally need the income—and income protection.



You can fill this income protection need with Provident's Senior Accident and Sickness coverages—available for issue through age 74 for men, through age 70 for women. One circular-application combines a straight-line sales presentation of any of the three policy forms—from your approach to the signature of the applicant.

Full information on this and other plans in Provident's complete line of A&H coverages is yours for the asking. Why not write today?

Brokerage Business Invited

PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY
CHATTANOOGA

1887... 65th Year... 1952



CHANGES IN CASUALTY FIELD

Lewis General Manager of Rainier National, Seattle

Ralph C. Lewis has been advanced to vice-president and general manager of Rainier National of Seattle. He succeeds John Porter, resigned.

Mr. Lewis attended Central Washington College of Education and University



RALPH C. LEWIS

of Washington. He is a past president of Seattle Blanket Club. In 1940 he entered the insurance business with the United Pacific's home office, then at Seattle. He resigned in 1944 to become vice-president of Thieme-Morris, Seattle agency, and in 1946, shortly after the Rainier National was established, joined the company as superintendent of underwriting. Later he was elected vice-president. Rainier National writes all casualty lines, including automobile. It is affiliated with Northwestern Life.

Steele Coast Agency Chief of Fireman's Fund Group

Harold M. Steele has been appointed agency superintendent for casualty business of the Fireman's Fund group in the Pacific Coast department. He succeeds James R. McKay, recently transferred to New York as assistant vice-president in the eastern department. Bradley Palmer has been called in from Stockton, Cal., to succeed Mr. Steele as supervising underwriter of casualty lines at San Francisco.

Raymond Buss Retires

Raymond Buss, resident vice-president of American Surety at Providence, R. I., has retired after serving the company since 1918. He started at Providence and was made manager there in 1920. He was advanced to resident vice-president in 1948.

Open Green Bay Office

The Mutual Service companies of St. Paul have opened a district office at Green Bay, Wis., to service nine counties. Glen Macaux is district manager. Roman Denissen will handle sales and policyholder service.

Johnson Payroll Audit Chief

C. T. D. Johnson has been made manager of the payroll audit department of Standard Accident. He succeeds Frank L. Fourette, who has retired after 38 years with the company. Mr. Johnson has been with Standard Accident in that department since 1942.

Weldon Harris Changes

Weldon H. Harris joined Insurors Corp. of Dallas as manager of the cas-

ualty department. He is a native Texan and has been in the insurance business since 1926. His original training was with U.S.F. & G.. Since 1930 he has been with Commercial Standard and was a vice-president of that company before joining Insurors.

General Re Names Kern to Assist Hall at K. C.

General Re has appointed William H. Kern assistant to Charles W. Hall, vice-president in charge of its Kansas City office.

Mr. Kern has resigned as a department head of Employers Reinsurance with which he has been associated for four years. Before that he was for 2½ years with R. B. Jones & Sons and Kansas City F. & M.

Mr. Kern is secretary-treasurer of the Kansas City regional chapter of Insurance Accounting & Statistical Assn.



William H. Kern

Cowell in Minneapolis Post

William T. Cowell has been appointed special agent at Minneapolis for American Surety.

COMPANIES

Seaboard Surety Makes Fine Gain

Seaboard Surety at midyear reports assets of \$16,580,318 which compares with \$15,558,070 at Dec. 31. Capital remains at \$1 million and net surplus at \$5 million but voluntary reserve went up from \$1,794,226 at Dec. 31 to \$3,306,878. The premium reserve is \$4,109,668.

Underwriting Loss 9.1%

Standard Accident reports net written premiums of \$28,049,601 for the first six months of 1952, compared to \$24,439,457 in the same period of 1951. The loss from underwriting was \$2,253,093, or 9.1% of earned premiums, compared to a loss of \$1,910,222, or 9% for the first six months of 1951. Net investment income was \$729,201 as compared with \$615,516 a year ago. Surplus to policyholders at June 30, 1952 was \$19,603,834, a decrease of \$1,715,391 during the six month's period.

Central Surety Shows Profit

President R. E. McGinnis of Central Surety reports that at June 30 capital and surplus stood at \$5,756,111, which was an increase of \$130,917 since Dec. 31. He states that auto liability lines continue to produce a heavy underwriting loss notwithstanding rate increases. While this was offset during the first half of the year by a substantial surety profit, there can be no assurance that the substantial profit in other lines will continue to be available to offset the tremendous liability losses. However, Central Surety had an underwriting profit overall for the first half of this year as against a loss for the first half of 1951.

Start N.C. Test Case on Setting W.C. Hospital Fees

DURHAM, N. C. — A test case to determine whether the North Carolina industrial commission has authority to set hospital fees in workmen's compensation cases is headed for the state supreme court.

Watts and Lincoln hospitals of Durham brought the action, charging the commission set ward fees of \$7 a day in compensation cases whereas other patients pay \$8. The suit questions whether the commission has authority to set a mandatory fee schedule.

The case already has been heard by Frank Huskins, chairman of the industrial commission. His decision, no matter which way it goes, will be appealed for a final test by the court.

Virginia Surety has applied for license in California.

You don't have to look far



Well over 600

Hartford Steam Boiler

experienced engineers

and inspectors —

a field force of

Power Plant Specialists,

the largest

in this country —

bring to policy-

holders everywhere

skill in spotting

symptoms of trouble

in time to prevent

costly accidents. One

is always available.

A potent reason

why more agents and

brokers place more

Power Plant Insurance

with this company

than with any other.

Estab.



1866

The
HARTFORD STEAM BOILER
INSPECTION
and
INSURANCE COMPANY
Hartford 2, Connecticut
It pays to
CHOOSE THE BEST

25 Company... Put 25 GROUP!

And GROUP is a smooth path to profits when the plans you sell are Mutual of Omaha's Group coverages. Mutual of Omaha has plans designed to fit TODAY'S needs... and to give maximum coverage at low net cost.

JOIN WITH THE PACE-SETTER
Mutual of Omaha is the largest exclusive health and accident company in the world. More than 2,000,000 policyholders are now protected with Mutual of Omaha, which has paid more than \$424,000,000 in benefits.

FAST, COMPLETE SERVICE
The extensive knowledge gained through Mutual of Omaha's health and accident experience is yours through Group Field Offices, conveniently located throughout the United States, its possessions, and Canada. Group field representatives will help you contact, sell and service your Group.

YOU'RE THE BOSS
Mutual of Omaha's Group Division works with and through brokers. Salaried field representatives are guided in the extent of their service by YOUR WISHES. Full commission is paid to the agent or broker of record. Continuous renewals.

MOST FOR YOUR CLIENT'S DOLLAR
Mutual of Omaha writes economical group coverage for both employees (25 or more) and their dependents. All coverage is planned for TODAY'S increased costs of sickness, accident and hospitalization.

MUTUAL BENEFIT
HEALTH & ACCIDENT
ASSOCIATION

**Mutual
OF OMAHA**

THE WORLD'S
LARGEST EXCLUSIVE
HEALTH AND
ACCIDENT COMPANY

WRITE, PHONE, or WIRE for full information on Group Coverage
Address: GROUP DIVISION, MUTUAL OF OMAHA, OMAHA, NEBRASKA

ACCIDENT AND HEALTH

National Newspaper Campaign to Launch Prudential A. & H.

Prudential has embarked on a market-by-market nation-wide newspaper campaign to introduce its new A. & H. program. Some 146 cities have been scheduled to get 1,000-line announcement copy within the next few weeks according to American Newspaper Publishers Assn.

In Maryland Prudential has started to test a followup campaign. After the announcement ad, 24 smaller ads will be placed over a 13-week period in seven markets—six in Maryland and one West Virginia market in the company's Maryland territory. The cities are Baltimore, Hagerstown, Cumberland, Salisbury, Cambridge, and Frederick, Md., and Martinsburg, W. Va. Weeklies will also be used in Maryland towns with local Prudential offices.

All ads will be localized to the cities or states in which they run. Maryland copy, for example, is addressed to "the one out of four Maryland families who will have someone disabled by sickness or accident this year." In the launching ad Prudential describes the new insurance as broad in coverage with a wide range of benefits. A set of pictures and captions in newspaper editorial style point up the hazards the policyholder is insured against.

Federal Employee Premium Deduction Disapproved

WASHINGTON — The budget bureau has reported unfavorably on Rep. Miller's bill to authorize salary deductions from government employees for life, health, accident, hospital and medical premiums.

Assistant Budget Director Staats said the bill introduces a philosophy under which government would act as financial agent for private insurance business.

"It has been argued that any benefits that might accrue to the insurer under this bill would be passed on to the insured," Mr. Staats wrote. "While this represents a good selling point, there is considerable doubt that in actual practice these benefits could be identified. However, it is reasonable to assume that both the insurer and insured will be benefited if the government acts as their financial agent."

Staats pointed out government collection service would be furnished at general taxpayers' cost and the bill would establish a precedent for authorizing similar collection for other purposes and would greatly increase government agency expenses.

Health Cover Needed in S. E.

"The southeastern states of Tennessee, Kentucky, Alabama and Mississippi have the least voluntary health coverage in relation to population of any section of the nation," the Chattanooga Times pointed out in an editorial discussing recent reports of Health Insurance Council. It says that less than one-third of the people have voluntary hospital protection, while in the New England states two-thirds or more are covered.

"But there is no indication the American people want their government to pay their medical bills," it adds. "Instead, they prefer to provide their own protection through voluntary insurance programs."

Ill. Mutual Casualty Fire

The fire at the home office of the Illinois Mutual Casualty at Peoria the other day required about an hour to bring under control and there is considerable water and smoke damage. The office machines had to be examined, dried off and oiled and this has occasioned some delay in the handling of correspondence. The policyholder records are intact. The fire is believed to

have started in a Coca-cola machine. It had burned through the first floor when discovered.

Cheek and Kirkpatrick to Speak at Bureau Meeting

J. F. Follmann, Jr., general manager of Bureau of A. & H. Underwriters, has announced two speakers for the annual meeting of the bureau Sept. 29-Oct. 1 at Asheville, N. C.

Commissioner Cheek of North Carolina will speak on "How Shall A. & H. Insurance be Regulated," and will welcome the bureau to his state.

A. L. Kirkpatrick, insurance manager of U. S. Chamber of Commerce will talk on "The Federal Government and Health Insurance."

Overcharges Are Refunded

LOS ANGELES — Ten California physicians have reimbursed California Physicians Service to the extent of \$5,757 as the result of investigations by the group of allegations of overpadding bills of patients.

The service is investigating 25 addi-

tional cases, and has demands on file for an additional \$5,385 from five of the physicians under investigation.

It was stated that the majority of cases involved "overuse of the service rather than fraud. 'Overuse' was defined as making more calls on the patient than standard practice requires. C.P.S. filed only one civil action against a doctor as yet, and that case still is pending.

Occidental Ups Group Rates

Occidental Life of California has increased rates for its hospital and surgical and A. & H. group coverages.

The rate revision reflects the trend toward ever increasing claims costs, confirmed by continuing adverse casualty experience the first half of this year.

Stoffel Now With St. Paul

Charles L. Stoffel, who was with the Minnesota department from 1940 to early 1951 as a rate analyst and since then president of Samaritan Life of Duluth, is now with the personal accident department of St. Paul-Mercury Indemnity.

Relief Fire Co. No. 1 of Mount Holly, N. J., oldest volunteer organization of

its kind in the country, which recently observed its 20th anniversary, since 1941 has carried a volunteer firemen's accident policy in Hartford Accident through Harry Hawkins, Jr., agency of Mount Holly.

Added Job for Kirkpatrick

Vice-president Thomas H. Kirkpatrick has been elected actuary of Massachusetts Protective. He succeeds Harold R. Lawson, who has resigned. Mr. Kirkpatrick joined the company in 1948. Previously he was with London Life as assistant actuary. A fellow of the Society of Actuaries, he is a Canadian army veteran of the last war.

Organize at Huntington

Huntington (W. Va.) Assn. of A. & A. Underwriters has been organized with Gentry Hale as president; J. J. Hatcher, Massachusetts Protective, vice-president; Charles S. Broh, Pacific Mutual Life, secretary, and Raymond Balsom, World, treasurer.

President Carter Graley and Walter Given of the Charleston association were present to assist in the organization.

J. G. Jackson, Seattle local agent, has returned to his desk after a successful stomach ulcer operation.



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Difficulty of Getting Agents Turning Life Companies to Brokerage Sources

The ever-increasing difficulty that life companies have been experiencing in obtaining new agents, particularly since the Korean outbreak, has been quite a factor in the interest these companies have shown in getting more life insurance business from fire and casualty producers.

Companies that have aggressively sought this brokerage business have been stepping up their activity. Some have even begun setting up separate agencies in the larger cities to specialize in brokerage business. And some companies that are not currently going after brokerage business are seriously considering tapping this source of production.

Other Reasons, Too

Fortunately for the life companies, there are other reasons why brokerage business has more attraction than it used to, entirely aside from the greater difficulty of getting business from full-time agents. For one thing, it has been found that brokerage business rarely results in any reduction in the actual and potential production of the full-time agents. The general insurance man has a different type of entree. His efforts seem to complement rather than supplant those of the strictly life man.

Then there is the greater willingness of general insurance men to get educated in life insurance and its selling methods. They are willing to sit through courses and show a real interest in learning about life insurance.

Usually they do not take readily to the more aggressive sales technique of the life agent but that doesn't matter too much if they have the usual good contacts. The broker sells his life insurance much as he sells fire, automobile, burglary, and A. & H. policies. He has good contacts, is usually on a

close basis with many of the people he does business with. Having confidence in him through having bought other types of insurance from him, they feel inclined to buy life insurance from him, too.

Must Use Care

The life companies have to use reasonable care in the selection of their brokers and the business they turn in but they have to do the same with full-time agents. Companies that have aggressively gone after brokerage business on a sound and business-like basis have found that the business is of good quality, persists well and is in general satisfactory. One of the largest companies gets about 30% of its business from brokers and wouldn't mind having more.

Brokerage business is subject to the general criticism that the broker is less likely to be a steady life insurance producer in good times and bad than is the full-time life agent. Many agency department executives feel that brokers are prone to drop their life insurance activity when even a minor economic recession threatens their general insurance business. However, as more and more brokers make life insurance selling a regular part of their work and realize its commission potentialities there should be less danger that they will consider life insurance selling strictly a fair-weather activity.

Experience in Depression

Some life companies have never taken brokerage business and probably never will but a number of companies that formerly did a brokerage business got out of it completely or greatly restricted their brokerage writings during the depression of the 1930s. Some of the com-

First Six Months' Results Shown

	Assets June 30	Surplus to Policy- holders June 30	Change in Surplus from Dec. 31 1931	Net Premiums Written First Six Months 1932	First Six Months 1931
*Allstate	117,062,355	26,755,311	3,468,611	57,388,792	40,813,626
American Central	14,370,619	5,708,646	61,806	3,330,883	3,641,596
American Employers'	39,596,373	11,051,110	245,466	11,877,386	11,180,801
Baliole Marine	1,682,830	1,383,879	121,071	168,485	97,707
Cal. Cas. Indem. Exch.	8,612,933	645,856	43,346	2,483,499	2,646,055
Central Mutual	31,966,163	9,518,965	1,009,114	9,544,823	8,330,244
Chicago Motor Club	13,500,404	3,035,841	189,488	4,995,828	4,361,029
Columbia Cas.	17,070,418	5,407,528	-308,896	4,195,689	3,261,970
Commercial Union	29,928,794	10,999,680	589,964	7,609,566	8,067,896
Employers' Liab.	91,595,180	22,939,467	1,476,493	28,706,787	25,932,720
Eureka-Sec. F. & M.	15,438,658	3,575,443	105,753	3,804,725	3,804,712
General Accident	92,924,156	30,721,314	-32,834	27,458,572	23,111,157
General Cas.	37,257,548	9,268,341	-64,544	13,450,006	11,371,131
General Secur.	13,013,495	2,673,372	122,855	2,737,717	2,684,771
Industrial, Ia.	9,514,718	2,119,373	-385,782	3,824,264	2,214,771
Industrial Indem.	27,329,446	4,975,784	624,919	9,521,786	11,463,700
Inter-Ocean Re.	11,670,190	3,408,445	57,892	3,671,721	2,782,240
Globe & Rutgers	23,088,777	12,563,899	359,661	3,854,650	2,957,045
Iowa Farm Mutual	11,003,508	4,823,544	393,085	4,044,187	3,747,696
London & Lanc.	12,656,730	3,768,543	127,097	3,094,309	3,268,191
New Amsterdam Cas.	83,531,465	19,293,447	1,230,619	26,264,214	20,793,161
New York Und.	17,666,739	9,178,403	103,186	2,850,332	2,928,710
New Zealand	12,942,797	5,322,232	292,622	2,923,645	2,655,551
North Amer. C. & S. Re.	54,272,004	11,539,185	-368,813	12,037,144	9,571,650
Northwestern F. & M.	5,784,905	3,632,804	92,873	945,043	896,021
Ocean Accident	30,892,360	7,653,704	-58,564	7,152,355	6,371,047
Peerless Cas.	15,976,251	4,226,159	5,735,709	5,735,709	3,606,401
Pa. Mfrs. Assn. Cas.	31,283,778	9,112,993	322,123	9,209,646	6,712,663
Pa. Threshermen Mut.	22,453,752	7,013,642	194,929	8,174,268	6,615,281
South British	2,876,651	1,732,255	-268,521	424,975	343,965
Standard Accident	86,020,481	19,603,834	-1,846,356	28,049,601	24,439,457
Standard Marine	10,692,425	3,852,182	-382,724	3,031,217	3,162,790
State Auto	16,665,222	7,272,201	228,064	5,723,629	5,050,855
State Auto Mut.	28,625,577	12,212,999	457,649	9,107,426	7,516,334
Sun Indemnity	11,115,740	3,356,267	3,650,280	2,972,106	2,755,827
U. S. Casualty	34,612,245	7,580,303	-547,038	12,394,322	9,922,971
U.S.F. & G.	255,781,296	70,708,716	-1,992,779	87,359,509	57,107,060

*Correction of figures printed Aug. 14.

panies turned sour on business obtained from general insurance men when they realized how much of the high mortality "jumbo risk" business, written in the pre-depression era, had come from brokers.

There were also instances where brokers tried to slip over a "groomed" risk. But as these experiences faded into limbo, brokerage business has returned more and more to favor and companies have been getting increasingly back into the field.

National Fire Half Year Record

The net premiums of the National Fire group during the first six months of this year increased \$3,122,668 or 10.5% and aggregated \$32,876,216 according to the report to stockholders of Chairman F. D. Layton and President H. B. Collamore. Losses incurred amounted to \$14,699,825 and the ratio of losses incurred to premiums written was 44.7 as against 43.2 for the same period last year. Loss adjustment expenses were up sharply due particularly to a change in an apportionment of expenses whereby certain items heretofore included in general expenses incurred in the interim reports were transferred to adjustment expenses. This figure amounts to \$1,812,206, or 5.5% as against 2.7% for the first half of 1931. Heretofore this transfer which was required for annual statement purposes, was not made until the close of the year, but the interim reports are now made upon the same basis as the annual statement.

Expense Ratio Declines

General expenses incurred were \$12,415,587, the ratio dropping to 37.8% from 39.8%. This was due largely to the transfer of certain expenses to loss adjustment expense account. There was a statutory net underwriting gain for the group of \$42,833 in the face of an increase of \$2,879,476 in premium reserve. The combined statutory net underwriting gain and earnings from investments before federal income and Connecticut investment taxes were \$1,495,317 which was an increase of \$112,206 over the first six months of 1931.

Total assets of the companies in the group went up to \$120,119,434 from \$115,603,209 at Dec. 31 and the combined surplus was \$30,965,850 which was an increase of \$1,804,607 and the contingent reserve fund aggregates \$5,-

450,000. National Fire alone had a net surplus of \$30,962,097 as against \$29,157,597 at Dec. 31 and a reserve for contingencies of \$5 million. The capital is also \$5 million.

O. L. & T. Increase of 17.1% in Okla.

In lieu of the filing of a 24% increase in rates on owner-Landlord-tenant liability insurance rates, which was disapproved by the Oklahoma insurance board, National Bureau of Casualty Underwriters filed for an increase of 17.1%. As the amended filing was not disapproved by the Oklahoma board, the new rates became effective Aug. 18, according to F. F. LaFon, actuary of the board.

VIRGINIA HIKE IS 36.2%

Revised bodily injury liability rates for a large number of important O. L. & T. classifications are now in effect in Virginia. The average increase is 36.2% for classifications rated on an area and frontage basis.

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Mid-West Division: 108 E. Washington Street, Indianapolis, Indiana

Southern Division: Mercantile Commerce Building, Dallas, Texas

Convention Dates

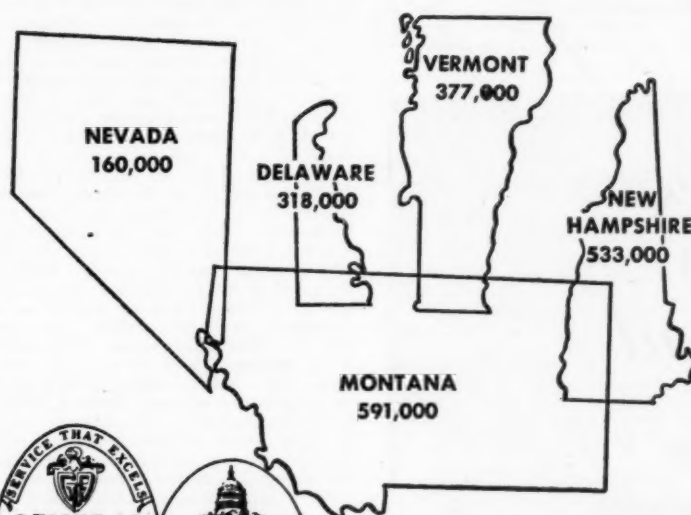
Aug. 21, 1952	Aug. 21, 1952
Aug. 24-26, Wyoming agents, annual, Benning hotel, Cooper.	Aug. 25-27, Federation of Insurance Counsel, Sheraton hotel, Chicago.
Aug. 25-27, Insurance Advertising Conference, annual, Pocono Manor Inn, Pa.	Sept. 7-9, Pennsylvania Assn. of Insurance Agents, Galen Hall, Wernersville, Pa.
Sept. 8, Vermont agents, annual, Lake Morey Inn, Fairlee.	Sept. 8-9, South Dakota Agents annual, Watertown.
Sept. 8-10, Oregon agents, annual, Multnomah Hotel, Portland.	Sept. 10-11, New Hampshire Assn. of Insurance Agents, annual, Wentworth-by-the-Sea.
Sept. 10-12, Michigan Agents, annual, Pantlind hotel, Grand Rapids.	Sept. 10-12, Maine Agents, annual, Samoset hotel, Rockland.
Sept. 11-12, Minnesota Agents, annual, Hotel Duluth, Duluth.	Sept. 15-17, Idaho Agents, annual, Hotel Hancock, Pocatello.
Sept. 17-19, C.P.C.U., annual Jefferson hotel, St. Louis.	Sept. 22-23, Utah Agents, annual, Hotel Newhouse, Salt Lake City.
Sept. 22-25, National Assn. of Insurance Agents, annual, Cleveland.	Sept. 29-Oct. 1, Bureau of Accident & Health Underwriters, annual, Grove Park Inn, Asheville, N. C.
Sept. 29-Oct. 1, Western Underwriters Assn., semi-annual, Greenbrier Hotel, White Sulphur Springs, W. Va.	Oct. 1-3, Zone 3 of N.A.I.C., Mobile, Ala.
Oct. 2-3, Zone 4 of N.A.I.C., Schroeder hotel, Milwaukee.	Oct. 4-8, International Assn. of Casualty & Surety Underwriters and National Assn. of Casualty & Surety Agents, joint meeting, Greenbrier hotel, White Sulphur Springs, W. Va.
Oct. 7-8, Connecticut agents, annual, Hotel Taft, New Haven.	Oct. 12-17, Mutual Company and Agents Associations, Hotel Ben Franklin, Philadelphia.
Oct. 15-16, Kansas Agents, annual, Jayhawk Hotel, Topeka.	Oct. 16-18, Colorado agents, annual, Broadmoor Hotel, Colorado Springs.
Oct. 16-17, South Carolina Assn. of Insurance Agents, Ocean Forest hotel, Myrtle Beach.	Oct. 20-21, Tennessee Agents, annual, Noll Hotel, Nashville.
Oct. 20-24, National Safety Congress, Conrad Hilton Hotel, Chicago.	Oct. 22-24, Insurance Accountants Assn., annual conference, Sky Top Lodge, Sky Top, Pa.
Oct. 27-28, Missouri Agents, annual, Sheraton hotel, St. Louis.	Nov. 2-3, Arizona Agents, annual, Hotel Westward Ho, Phoenix.
Nov. 9-11, Kentucky agents, annual, Kentucky hotel, Louisville.	Nov. 20-21, National Assn. of Independent Insurers, annual meeting, Conrad Hilton hotel, Chicago.
Nov. 17-19, California agents, annual, Oakland.	Dec. 7-11, National Assn. of Insurance Commissioners, midyear, Commodore hotel, New York.

Inland Marine 1951 Experience Shown

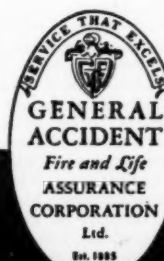
(CONTINUED FROM PAGE 2)

CLASS	Written Premiums	Paid Losses	Ratio Losses Paid to Prems. Written	CLASS	Premiums Written	Losses Paid	Ratio Losses Paid to Written Prems.
Bicycle Floater	45,664	12,764	27.95	Silverware Floaters	258,137	22,597	8.75
Boats (Including Canoes & Sailboats) and Outboard Motors	1,009,120	463,580	45.94	Physicians and Surgeons Equipment	184,799	46,522	25.17
Boats and Motors (Inboard) Private	558,120	311,511	55.81	Trailer Contents (Auto Homes)	8,918	1,635	18.33
Boats and Motors (Inboard) Commercial	11,546	6,132	53.11	Valuable Papers Insurance	207,337	65,920	31.79
Department Store Floaters	282,688	172,137	60.89	Warehousemen's Legal Liability	681,684	381,457	55.96
Golfers Equipment Floaters	107,727	34,549	32.07	Government Service Policies	215,197	72,578	33.73
Gun Floaters	130,761	44,752	34.22	Livestock Floaters			
Installation Floaters	2,472,986	817,918	33.07	Territory 1	111,634	74,654	66.87
Live Animals and Felt Insurance (Other Than Livestock)	166,669	81,146	48.69	Territory 2	768,572	221,739	28.85
Morticians Equipment Floaters	17,668	3,569	20.20	Territory 3	608,866	237,641	39.03
Morticians Liability	15,045	1,391	9.25	Territory 4	193,873	72,314	37.30
Paraphernalia Floaters	85,934	17,805	20.72	Details Not Furnished	445,731	227,141	50.96
Salesmen's Samples	1,046,108	494,863	47.31	Leased Property	73,447	26,299	35.81
Scientific Instruments Floaters	202,141	33,115	16.38	Miscellaneous Floaters	30,247,897	16,330,470	53.99
				Canada and Other Countries (Direct Basis)	12,343,998	4,737,478	38.38
				TOTAL	275,346,857	130,804,826	47.51

MORE THAN ALL THESE COMBINED ...



The combined population of these five states is 1,979,000. Last year 1,999,500 persons were killed or injured in traffic accidents. At the present rate this number will be exceeded this year. It behooves everyone in the insurance industry to preach safe driving day in and day out.



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BATTLE CREEK, MICHIGAN

The August issue of Office Executive presents a description of the Farm Bureau Insurance group's home office building at Columbus, O., in three well illustrated pages. The article centers on description of space use and efficiency treatment for better light and employee comfort.

G. E. Rowe has joined Dulaney, Johnston & Priest at Wichita. He has been in insurance 11 years, 4½ with the home office of Central States Fire and 6½ with the Byron S. Chapell & Co. agency, which has just consolidated with Wm. G. Matchette & Co.

Richard Saltonstall, partner in the State Street Research & Management Co. of Boston, has been elected a director of North America.

The Womer Investment Co. agency at Wichita has been incorporated as Womer-Platt, Inc.

Fred H. Reiss, for 35 years in fire insurance, the last few years as state agent of Employers Fire at Cleveland, is now handling field work and inspections on a fee basis for companies and agents.

John and Ward King have become partners in the S. A. Harrison agency at Medicine Lodge, Kan.

Agents Urged to Raise Sights on U. & O.

(CONTINUED FROM PAGE 13)

the cost of materials and supplies consumed are "charges or other expenses." However, it is standard adjustment practice to eliminate these costs from the coinsurance requirement and all published work-sheets exclude them.

What is ordinary payroll and whose salaries come under "other important employees"? Generally, assured himself knows best if a person's services are vital to his business but when faced with the possibility of recovery from an insurer, his judgment may not always prove to be reliable. An example of this was the junk man who hired eight girls at the minimum wage scale to use a hand operated table cutter in making uniform pieces of old rags. He had plenty of insurance and he contended that they were important employees. He alleged that it took five months to train them, but his hiring practices, labor turnover and the nature of the operation made this statement very disputable.

A very common test of the importance of payroll is whether it does or does not continue after a loss and also whether

the employees remaining are really idle or are serving in some other capacity. It has not been customary to indemnify insured for his alleged continuing payroll unless the employees themselves have first been paid, yet many assured lack cash and they contend that their purpose in insuring against business interruption was to obtain a source of revenue as a substitute for sales in order to pay their help as well as other expenses. In other words, and they quote, "the insurance is expected to do what our business would have done . . . no more and no less."

Other limitations in the policy contract specifically exclude any loss of time in excess of 30 days for the replacement of raw stock or, similarly, of stock in process and no time at all is allowed for replacing finished stock.

The business interruption policy covers "such expenses as are necessarily incurred for the purpose of reducing any loss under this policy . . . not exceeding, however, the amount by which the loss under this policy is thereby reduced . . ."

The above are commonly referred to as expediting expenses but the description is misleading since it connotes a saving in time, yet the clause actually covers the excess cost of outside purchases or of contracting for outside labor, or of other unusual expenses versus assured's normal costs. Obviously, if in his desire to keep his good will, such expenses exceed the loss otherwise payable under the policy assured is out of pocket and the insurance has not given him the profit that he had a right to expect from his own operations or which he might recover from an extra expense policy.

Resumption of Operations

The resumption of operations clause states "if the insured by resumption of complete or partial operations of the property herein described, or by making use of other property, equipment or supplies, could reduce the loss resulting from interruption of business, such reduction shall be taken into account in arriving at the amount of loss hereunder." The application of this clause in practice sometimes results in a purely hypothetical computation, because it may be discovered that assured could reduce the loss but fails to do so. Also, it should be noted that this clause provides for the use of property, equipment or supplies other than the property insured, if by such use the loss could be reduced.

The resumption of operations clause has been described by more than one assured as a "one-way-street," the chief complaint being that its application is hindsight on the part of the adjuster. On the other hand, if assured made use of other property and has failed to reduce the loss his excess cost is not recoverable under the policy. Not infrequently, there have been controversies with insurance brokers over the use of this clause when plants owned by insured but not covered under a business interruption policy are capable of recouping some of the business which would normally have been performed at the insured location. Another way in which this clause may be applied is in the consumption or use of a finished goods inventory (which is "other property") to offset the loss in production.

The loss of production vs. loss of sales argument continues unabated. Advocates of lost production may quote Poor Richard that "Lost time is never found again." However, since net profits and expenses are earned only as sales are made, it appears that there must be an ultimate loss of sales to warrant a claim for a loss of net profits.

CONSEQUENTIAL LOSS

There is a special exclusion in the form for consequential losses. Now, a business interruption loss itself is a consequential loss. So, what does this clause mean? Here are some claims which have been denied as consequential:

Lack of funds (not lack of insured facilities) to carry on operations at the customary pace because delay in receiving insurance proceeds has curtailed operations. Should increased interest on new borrowings be considered as expense to reduce loss?

A stock of raw materials in open storage deteriorates because plant is down and materials cannot be used promptly enough to avoid decay. Should temporary housing of such raw materials be considered as an expense to reduce loss, when there had never been any housing before the loss occurred?

The cost of stock rejected under a purchase contract which is violated because the plant is down or, extra freight costs to dump or to ship such stock to another location without any consequent recoupment for the underwriters.

The two item contribution form for mercantile risks states "this company shall be liable . . . for the actual loss sustained, for not exceeding such length of time as would be required to rebuild, repair or replace . . . commencing with

the date of such damage or destruction . . ."

The single item gross earnings form for mercantile risks states "the measure of recovery . . . shall be the reduction in 'Gross Earnings' . . . less charges and expenses which do not necessarily continue . . . for not exceeding such length of time as would be required to rebuild, repair or replace . . . commencing with the date of such damage or destruction . . . but not exceeding the actual loss sustained by the assured . . ."

Fire Sale Example

"We have had many experiences with shops where fire sales have been conducted on the insured premises in which not only the damaged merchandise has been disposed of by insured, but additional purchases have been sold during the days of the fire sale at marked-down prices," Mr. Glendening said. In some of these cases assured has obviously made considerably more profit than would have been made in normal operations of his business, and in addition he has delayed the time of rehabilitation until the least profitable season of his business year. There have been many discussions in the field over the proper manner in which such an insured's loss should be determined.

Business interruption insurance is a contract of indemnity and recoveries for loss should be limited to the actual loss sustained. It is a personal contract and an insured is not entitled to his insurance money and also to the recoupment of the lost business by operating at another location, nor can his recoverable loss ever be increased by his own action. Sometimes both assured and insurer representatives lose sight of these simple facts.

To live up to the advertisement "It will do what your business would have done," there might be more impetus given to insurance sales if the provisions of the business interruption form, the extra expense contract, the leasehold value cover, betterments or replacement insurance and additional consequential features could be consolidated into a single policy. However, thus far no existing insurance adequately protects the goodwill of a business and it is questionable if any insurance ever could.

Less resistance will be encountered to the sales of all forms of business health insurance if the broker understands his assured's business problems and if he studies the coverages now available. A new type of educational program could be initiated by the insurers themselves, one which should be cleared through persons in their loss departments who are acquainted with the vagaries filed away in hundreds of closed cases.

Employees' pension plans are widely purchased by business organizations because they insure the continuance of the business. Many actual losses have established the same case for business interruption insurance. American industry needs this protection.

Leslie, Neumann, Klein, Evans, Doremus, Beling on Pa. Card

Speakers for the annual meeting of Pennsylvania Assn. of Insurance Agents at Galen Hall, Wernersville, Pa. Sept. 7-9 include Commissioner Leslie of Pennsylvania, Joseph A. Neumann of Jamaica, N. Y., who is a member of the N.A.I.A. executive committee and who will be the banquet speaker Sept. 9; H. C. Klein, secretary of New York Underwriters who will conduct a round table on business interruption insurance; H. G. Evans, president of American Casualty of Reading, who will be toastmaster at the banquet; Frederick W. Doremus, manager of Eastern Underwriters Assn., and Oscar Beling, superintendent of the agency systems department of Royal-Liverpool.

At the directors meeting Sept. 7 the assigned risk plan will be discussed and George J. Schepens, manager of the Pennsylvania assigned risk plan, and Deputy Commissioner Ralph H. Alexander will be present.

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Congress Slates Insurance Speakers

Drawing its talent from every type of industry in the country, National Safety Congress has scheduled 18 insurance men as speakers and panel participants. This is the 40th annual meeting of the Congress which will meet Oct. 20-24 at Chicago. So vast is the program that five large Chicago hotels will be used for meetings.

Opening the congress is the annual council meeting at which an address will be given by Jesse W. Randall, president of Travelers. Other insurance men are active in section meetings. President of the American Society of Safety Engineers is J. C. Stennett, National Assn. of Mutual Casualty Companies. At the chemical section meeting R. C. Stratton, supervisor of chemical engineering for Travelers, will be the moderator of the safety clinic. In the same section Herbert T. Walworth, director of industrial hygiene for Lumbermens Mutual Casualty, will be on "Gas and Dust Control." For the construction section Dale Medsker, Atlanta area supervisor of the safety engineering division of National Surety, will speak on "Accident and Analysis Survey and Results in South-eastern States Construction."

Cox at Farm Safety Session

One of the farm safety addresses will be given by Emmett T. Cox, Western Actuarial Bureau, on "Fog System of Fire Fighting." "Chemical Hazards in Glass and Ceramics Industries" will be given by Joseph A. Houghton, industrial hygienist for Liberty Mutual, at the glass and ceramics section meeting. The home safety general session will be presided over by Dr. George M. Wheatley, third vice-president in the health and welfare department of Metropolitan Life.

Participating in a panel on "The Impact of Temporary Disability on Industry" is Warren A. Cook, director of industrial hygiene and engineering research at Zurich. The general chairman of the power press and forging section is Walter L. Hanau, assistant supervisor of engineering of Fidelity & Casualty at Chicago. A. L. Brown, chief engineer of Factory Mutual Fire, will take part in a symposium on rubber plant fires. The safety in small businesses section will hear Ralph M. Kramer, supervising safety engineer of Employers Mutual of Wausau, speak on "Any Size Company Can Do It."

At one of the many school and college sessions, Mary K. Barber, traffic safety analyst of Assn. of Casualty & Surety Companies, will take part in a clinic on school safety organizations. General chairman of the textile section of the congress is Neil Nelson, district engineering manager at Manchester, N. H., of American Mutual Liability. Participating in a textile plant accident clinic is Joseph A. Winkler, assistant southern division engineering manager of American Mutual Liability.

Catlin on Traffic Safety Panel

Robert I. Catlin, vice-president Aetna Casualty, is a panel member in a traffic section discussion. Chairman of the traffic and transportation conference of the congress is Harold P. Jackson, president of Bankers Indemnity. He will speak on "Is the Public Interested in Traffic Safety?" Presiding at the transit section is M. C. Bullock, supervising engineer of Transit Casualty.

"Pepping Up the Safety Program" is the title of a talk to be given by James VanNamee, Louisville, loss prevention department of Liberty Mutual, at the products section meeting.

Other insurance men are serving on the council and board of directors. Included on the council are S. Bruce Black, president of Liberty Mutual; Morgan B. Brainard, president of Aetna Life; Thomas I. Parkinson, president of Equitable Society. On the board are Fred W. Braun, accident prevention vice-president of Employers Mutual of Wausau; Wallace Falvey, president of

Massachusetts Bonding; Henry E. North, vice-president of Metropolitan Life; Harry M. Pontious, director of safety of Farm Bureau Mutual of Ohio, and Dr. Wheatley of Metropolitan Life.

Suggests Writing P.D.L. With Collision

A. J. Engleman, insurance consultant at 120 East 88th street, New York City, writes:

Statistics reveal that two-thirds of automobile accident claims are due to collisions which involve damage to one's car, property damage and bodily injuries. Therefore it appears that the insurance industry in the face of these facts must direct its attention to revising its automobile underwriting principles and coverages to afford protection to the insuring public at the lowest possible cost.

In opposing the rate increase before the New York insurance department I pointed out that collisions are reported as two accidents instead of one, and therefore this creates a distortion of the statistics as a base-making rate structure for automobile insurance.

To correct this situation may I suggest that the property damage coverage be eliminated from the bodily injury policy and written in conjunction with the collision portion of the fire policy, and combine the collision coverage with property damage insurance on a deductible basis, because the present situation creates legal actions which are unnecessary, and under the suggested plan property damage and collision claims can be adjusted promptly.

At present there is a great lag in the reporting and investigation of these claims, and under the proposed set-up the present fire patrol system can be improvised to incorporate a safety radio motor accident patrol to respond immediately to the policyholder's request to make a complete report of a collision, with the end in view of preventing fabricated and exaggerated claims.

Under this method of underwriting new coverages can be added to this portion of the policy that would provide for extra expense coverage and/or business interruption coverage for additional premium income to the companies.

The bodily injury policy could be amended to provide for coverage under the medical expense policy to provide payments to individuals other than occupants of the car, to pedestrians, etc.

It also can incorporate the feature of charging additional premium to provide for an unsatisfied judgment fund which can meet the problem by allaying the demand for compulsory state fund automobile insurance.

Air Show Cover Set

Airway Underwriters, Inc., of Ann Arbor, Mich., will handle the air show liability coverage for the annual International Aviation Exposition at Detroit Aug. 30-Sept. 1, Robert Crawford, president of that firm announces. The exposition is sponsored by Aero Club of Michigan.

The line was placed with London Lloyds through Bowes & Co. of Chicago. The assured under the policy will include the sponsors, and because of the federal tort claims act, the liability of the U. S. government.

With C. S. S. Miller of Miller & Co., Chicago, in charge of claims and engineering for the show, Mr. Crawford stated that the same organizations will be together which successfully handled the insurance for the National Air Races in past years.

Clermont County Board Exhibit

Clermont County Assn. of Insurance Agents ran the fire and auto safety booth at Clermont county fair, Owensville, O. Featured were Aetna Casualty's "Reactometer," and balloons and free chances on fire extinguishers were passed out. W. H. Quinn, Owensville, was in charge of the booth.

TRIPMASTER POLICY

Everybody is your prospect for this trip policy because everybody travels sometime. World-wide ALL-accident coverage 24 hours a day. Policies issued for any period from 3 days to 6 months. Two benefits: Death & Dismemberment (\$5000 to \$25,000) and Accident Medical Expense (\$250 to \$1,250). Premiums start at \$1.10 for a 3-day trip.

POLIO AND DREAD DISEASE POLICY

\$5,000 Blanket Medical Expense for POLIO and Scarlet Fever, Leukemia, Small Pox, Encephalitis, Tetanus, Diphtheria, and Spinal Meningitis. Family premium is only \$10.00 for one year; \$17.50 for two years; \$25.00 for three years.

Full Commercial A. & H. commissions on both the Tripmaster and the Dread Disease policies.

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DALLAS, TEXAS

Pioneers in Multiple-Line Underwriting
FIRE • CASUALTY • BONDS

EDWARD T. HARRISON, Chairman of the Board
GORDON S. YEARGAN, President

N. J. Experiment Will Get Close Attention

(CONTINUED FROM PAGE 21)

This might mean that the Board would receive a great many notices, on the assumption that it would not be possible for a plaintiff to determine within 30 days whether the defendant had insurance or was otherwise financially responsible.

When an applicant applies for payment to the fund, he will be required to show that he is not insured under workman's compensation, is not the spouse, parent or child of the judgment debtor, was not a guest occupant of the motor vehicle owned by the judgment debtor, at the time of accident was not operating or riding in an uninsured M.V. owned by him or his spouse, parent or child, that the judgment debtor was not insured, that the applicant has taken all possible steps to collect a judgment but has not been able to collect in full.

Actions may be settled under certain circumstances, with the consent of the board and of the court and upon execution of a confession of judgment by the defendant. This would apply to settlements involving payments of less than \$1,000 without court approval, but upon recommendation of the assigned insurer and with the approval of the state treasurer and one other member of the board.

An interesting feature of the act is that if a license of a person has been suspended or cancelled and the treasurer has paid from the fund any amount in settlement of the claim or to satisfy a judgment against the person, that suspension is not to be removed until the person has repaid the treasurer in full, plus interest. However, the licenses may be restored if the court authorizes installment payment of the judgment.

POINT SYSTEM

For some years New Jersey has been known as a tough state in which to secure a driver's license. As these tests go, New Jersey provides a thorough one, especially on the driving side. It also requires satisfactory completion of a written examination. The state also has made better than average effort to enforce traffic laws and safety.

However, recently it took an additional step. It adopted the point system, effective July 1. It is the hope of state officials that the system will take the traffic law violation repeater off the highways. When the point system shows that a driver's capacity to drive properly is in serious question, he faces the prospect of becoming a full time pedestrian.

The system was worked out and will be administered by William J. Dearden, acting director of the division of motor vehicles. The system provides the following points, which are actually "demerits": driving, or permitting another to drive, while under the influence of alcohol or drugs, 12 points; involvement in fatal accident, if held responsible, 12; leaving the scene of accident, 8; reckless driving, 6; exceeding speed limit, 4; other violations, excluding parking, 3; if there are three convictions within 18 months, 3.

Gets a Red License

An accumulation of 12 points within a 3-year period makes the repeater subject to a hearing before the M.V. director to show cause why his driving license should not be revoked. If his license is restored, it will be issued in a different color, red, and will contain a complete record of his demerits.

The way the system works out, all traffic and motor vehicle law violation convictions are reported by magistrates to the division of motor vehicles. Under an agreement with other states and provinces of Canada, reports of convictions are made to the resident state of the violator and these convictions also

will be weighed against the driver as if the violation had occurred in New Jersey.

Of nearly two million licensed drivers in New Jersey, 147,000 were convicted in 1951 of violating traffic and M.V. laws. It is hoped that the point system will put the finger on the repeaters in this group and select them for special disciplinary action.

Exceptions to System

There are exceptions to the point system. A single violation, though not adding up to 12 points, may be of such a nature as to warrant revocation. The M.V. director has authority to revoke for any violation or on any other reasonable grounds. Another exception is the driver with convictions spread out in such a manner that 12 points are

Shun Apologies for Rates Dorsett Asks

(CONTINUED FROM PAGE 17)

in holding the price line as the insurance companies, they would have produced the greatest public service of our times."

Blame for increasing rates, Mr. Dorsett said, does not lie with the insurance companies, but to a very large extent with the automobile owners in each rating territory. If motorists drive carefully, demand fair prices for repair work and refuse to approve excessive jury awards, he declared, rates will be lower than in those territories where motorists pay little or no attention to those things, which inevitably produce rising rates.

Denying that automobile liability insurance rates are prohibitive, even under the latest increase, Mr. Dorsett said that Charleston and Huntington motor vehicle owners have chalked up the highest claim record in West Virginia, and consequently pay the highest auto liability rates. "At present," he said, "their class I rate for a basic limits policy is \$39 per year—that is all they pay for protection against financial calamity, in the great majority of cases. I am unable to convince myself that anyone who owns an automobile will suffer economic hardship at that price. And the present rate for the entire remainder of West Virginia is only \$30.05."

Gives Outstate Rates

"But what about the rest of the country? Los Angeles is generally reputed to be a rather free-wheeling town. The basic limits rate there, for a pleasure car with no driver under age 25, is \$56. In Evansville, Ind., it is \$38. In Washington it is \$54. And in New York it is \$115."

"In New York City, more specifically Manhattan and the Bronx, is the one spot in the country where the price of auto liability insurance has reached a level that might give some cause for concern. Not concern over whether the price is fair, mind you, but whether it may not be reaching levels that many people may find it difficult to reach. It seems to me that perhaps we find, right there, the reason for the statement: 'We are pricing ourselves out of the market.' I suggest to my colleagues, however, that they look anywhere a few miles outside of New York, to the remainder of the country, where rate conditions are far better, for a solid foundation for arguments in support of a fair price and a fair profit for the insurance companies, as vital members of our free enterprise system."

"Of this I am quite sure, the rest of the country will never be asked to pay higher insurance rates in order to give the motorists of New York City lower rates. Many years ago the companies established rating territories as a means of distributing insurance costs fairly and to encourage motorists to do the things that are necessary to assure lower rates. Thus, the auto owners in each territory,

not accumulated in any three-year period but who has a consistent record of violations, indicating he has not responded to correction and most likely never will. Another example is the driver whose license has been revoked under the point system and eventually restored. A subsequent conviction, regardless of whether another 12 points has been accumulated, will be grounds for another proposal to revoke.

The validated license will be issued to the repeater in accordance with the following schedule—if revocation was ordered by a magistrate, one year; if there is another conviction of record within three years in addition to the original magistrate's revocation, two years, and license restored under point system, three years. The idea here is that the holder of a validated license will conduct himself on the highways in such a manner that he will not be called upon to display the red license to an enforcement officer.

to a very large extent, make their own rates by driving carefully, demanding fair prices for repair work, and refusing to approve excessive jury awards on the theory that 'the insurance company can afford to pay.'

"When the motorists of New York City realize that traffic conditions there constitute a major problem, one that is approaching catastrophic proportions, they will readily find that they can do a number of things to improve those conditions, and their auto liability rates. At this moment we are doing everything we can to bring the people of New York City to a full realization of these facts. I hope that we shall succeed. However, until there is much better control of traffic, much better law enforcement, and much better public cooperation, the companies will have no alternative but to ask the motor vehicle owners of New York City to pay the rates they, themselves, make."

DEATHS

(CONTINUED FROM PAGE 15)

Harrison-Brewster insurance agency of Chicago, president of which is Earl Langlotz, was closely tied into the Builders & Manufacturers and Mr. Barnard continued to have an interest in that agency although he did not have any official position with it.

NICHOLAS TEYNAC JOOST, president of H. C. Hare Co., prominent Florida general agency with headquarters at Jacksonville, died at his home at Jacksonville at the age of 64. He had been with H. C. Hare Co. since 1903 when he started as an office boy. He had been president since the death of Mr. Hare in 1932. A son, Hugh W. Joost, is special agent for H. C. Hare Co.

P. L. PEARSALL, 65, general agent and adjuster for Agricultural Mutual of Des Moines, died there of a heart attack. He had been in the insurance business at Des Moines for 13 years.

BEN R. TURNER, SR., formerly a local agent at Mount Sterling, Ky., died at Indianapolis at the home of his son, Ben R. Turner, Jr. Mr. Turner was 93 years old, and had been an agent in Kentucky until his 90th year. His son is Indiana manager for Fidelity & Deposit.

SIDNEY T. JOHNSON, 51, claim superintendent of the Employers group for the Middle Department, died at Philadelphia. He had held that post since 1930.

BRUCE W. DAVIS, 61, of Detroit, district manager for Lumbermens Mutual, was stricken while attending an agency meeting at Mansfield, O., dying that night in a hospital. He was a brother of Russell Davis, vice-president

of Lumbermens Mutual. In attendance at the funeral Monday at Somerset, O., was Leonard W. Larson of Chicago, assistant secretary of Lumbermens Mutual Casualty.

HENRY R. SCHULZ, Abilene, Tex., special agent of America Fore, died in a hospital there. He was a native of Texas, and went to Abilene from Dallas in 1937. He had been with America Fore 35 years.

ARMON WILLIAMS, general adjuster at Dodge City, Kan., of Western Adjustment and formerly manager there, died suddenly. He had been with Western for more than 25 years and had been at Wichita before opening the Dodge City office some years ago. Two sons are with Western.

MRS. MARY F. BAXTER, wife of Gordon Baxter, advertising manager of London Assurance, died at a hospital at Middletown, N. Y.

KNUD C. KNUDSON, 85, retired vice-president and treasurer of the old United Hail Ins. Co., of Lincoln, Neb., died while visiting a daughter at Evansville, Ind. He served in the Nebraska legislature and was with the state department of trade and commerce from 1923-1925.

ALBERT F. SADLER, 72, former vice-president of Pilot Reinsurance and at one time an executive of First Reinsurance, died at Yonkers, N. Y.

JOHN W. WALKER, who operated a local agency at Joplin, Mo., for a number of years died at his home in the Greenwood community near Joplin at the age of 87. One of his sons is Earl W. Walker of Topeka, state agent for North British & Mercantile.

THOMAS W. BROCKENBROUGH, 70, senior active partner of the Tabb, Brockenbrough & Ragland agency, Richmond, Va., died August 11 at a hospital at Virginia Beach where he had been vacationing.

THOMAS S. MCKINNEY, a local agent for 52 years, died at Knoxville, Tenn. He was credited with helping to organize Knoxville Automobile Club and later East Tennessee Automobile Club.

HENRY LYNN, 68, of the Lynn-Taylor agency at Mt. Vernon, N. Y., died there.

Big Bank Loss Is Exposed in Arkansas

A shortage of \$72,900 has been disclosed in the bank of Dierks, Ark., with the arraignment of the assistant cashier, Mrs. Opal Simmington, who had been with the bank 32 years and in charge of the books about 20.

Mrs. Simmington was also treasurer of the city of Dierks, a town of 1300. The bank has been turned over to the state banking commission for liquidation.

At New Brunswick, N. J., W. C. Horley, former vice-president of First Bank & Trust of Perth Amboy was sentenced to 10 to 14 years in prison for embezzling \$472,700, which the prosecutor said he lost in loans and stock speculations.

The Chicago Tribune Wednesday put the spotlight on bank embezzlements by bracketing three stories under a 3-column headline. One was the story from Dierks, another was the sentencing of Horley, and the third was a story that a 45-year old female assistant cashier of Prospect Park State Bank, in suburban Philadelphia, had admitted stealing \$38,000 from the bank. She was the 17th bank employe arrested in the last two years for shortages totaling more than \$3 million in banks in the Pennsylvania-West Virginia area.

OK Boiler Rider in Tex.

The Texas board of insurance commissioners has approved a filing by National Bureau of Casualty Underwriters permitting the attachment of a residence boiler endorsement to a residence liability policy or a dwelling fire policy.

The rules and rates in the approved manual of boiler and machinery insurance for Texas will apply to the endorsement.

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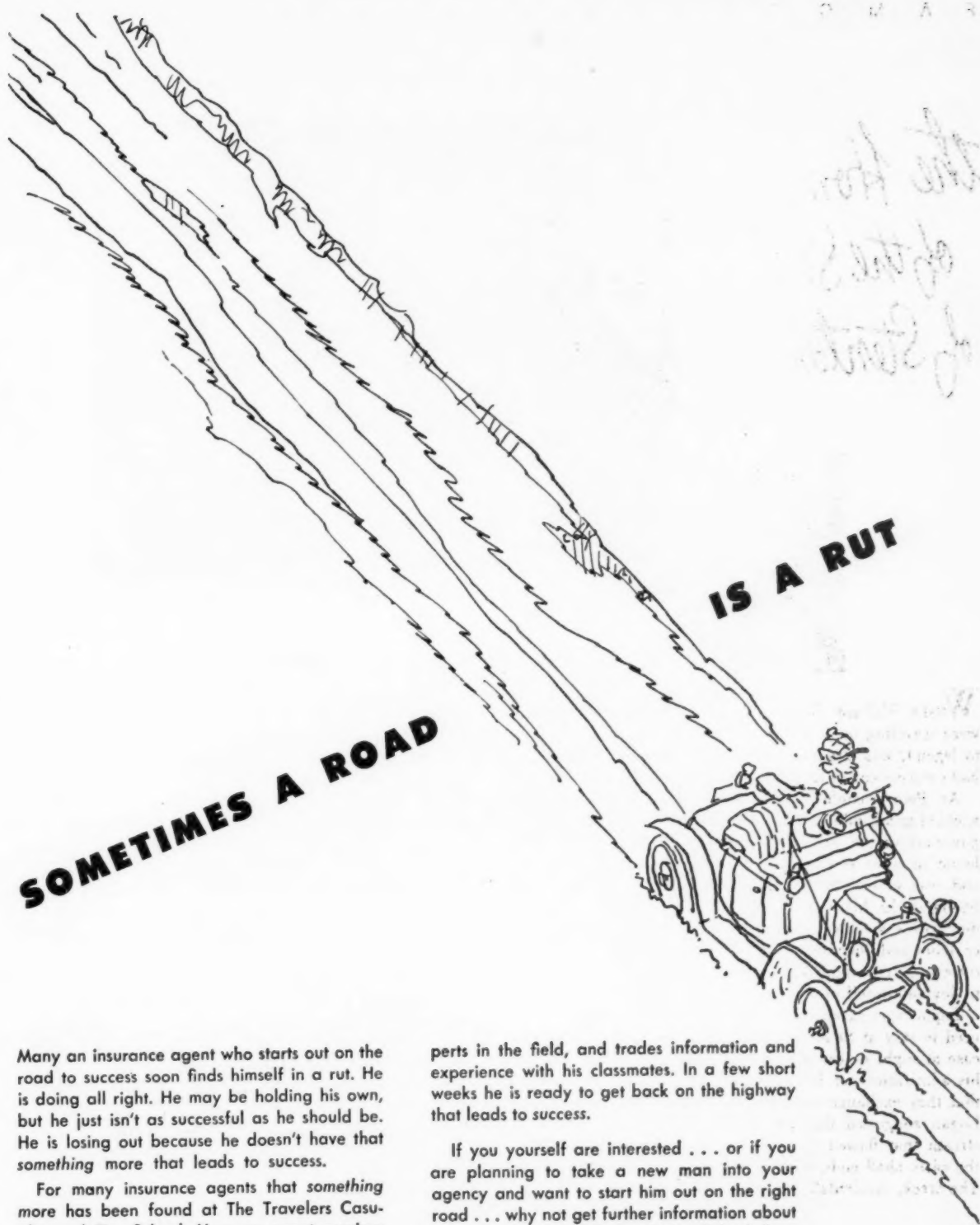
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Many an insurance agent who starts out on the road to success soon finds himself in a rut. He is doing all right. He may be holding his own, but he just isn't as successful as he should be. He is losing out because he doesn't have that something more that leads to success.

For many insurance agents that something more has been found at The Travelers Casualty and Fire School. Here an agent receives specialized training in all lines of Casualty, Fidelity, Surety, Fire and Marine insurance. He learns the latest methods of salesmanship and counseling. He gets new ideas from ex-

perts in the field, and trades information and experience with his classmates. In a few short weeks he is ready to get back on the highway that leads to success.

If you yourself are interested . . . or if you are planning to take a new man into your agency and want to start him out on the right road . . . why not get further information about The Travelers Casualty and Fire School from your nearest Travelers Branch Office.

Applications are now being accepted for 1953.

The Travelers Insurance Company
Hartford, Connecticut

F A M O U S A M E R I C A N H O M E S

*the Home
of the Sage
of Stenton ...*



... Saved by quick-witted Caretaker

WHILE William Penn and his secretary James Logan were traveling to America in 1699, their ship, according to legend, was attacked by pirates. Penn's principles forbade resistance but Logan successfully defended the vessel.

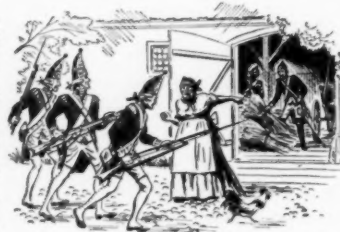
As Penn's confidential adviser, the scholarly Logan wielded great influence in Pennsylvania, in time becoming governor of the colony and mayor of Philadelphia. His home in what is now Germantown was started in 1728 and was named Stenton after his father's birthplace in Scotland. In his own words, he was obliged to spend much time at home, "being wholly reduced to a pair of crutches and Sedentary Life by a fall off my feet." Nevertheless, the curtailment of his physical activity enabled him to devote himself to writing and to his remarkable library.

Logan was exceedingly friendly with the Indians who used to stay at Stenton for long periods, lining the staircase at night or camping in the maple grove. Because of his admiration for Logan, Chief Wingohocking proposed that they exchange names in the Indian custom. Instead, Logan suggested that the chief's name be given to the stream that flowed through the property so that "while the earth shall endure" it would be called Wingohocking. The creek, incidentally, has long since gone underground.

Owned by the Logan family for many years, Stenton was Washington's headquarters before the battle of Brandywine. At the battle of Germantown the house fell into British hands and was occupied briefly by General Howe.

Later in 1777 two dragoons arrived in Germantown for the purpose of carrying out orders to burn the homes of patriots in the neighborhood. While they were in the stable gathering straw to start a fire in Stenton, a party of soldiers came looking for deserters. Dinah, the Negro caretaker, promptly told them that two suspicious men were lurking in the barn and despite their indignant protests the two dragoons were seized. Seventeen houses had been burned, but thanks to Dinah, Stenton was saved.

Now the property of the city of Philadelphia and under the custody of the Pennsylvania Society of The Colonial Dames of America, this important landmark is open to public view.



The Home, through its agents and brokers, is America's leading insurance protector of American homes and the homes of American industry.

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Home Office: 59 Maiden Lane, New York 8, N. Y.
FIRE • AUTOMOBILE • MARINE

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